



# Austin Housing Finance Corporation

P.O. Box 1088, Austin, TX 78767-1088

## Application for Financing Qualified Multifamily Residential Rental Project

Please read the instructions before completing and submitting this application.

### Section A Application Summary

1. Name, Address, telephone and fax numbers of Applicant

EEspero Austin at Rutland, LP
c/o Jo Kathryn Quinn, Caritas of Austin
P.O. Box 1947, Austin, TX 78767X 78767
jkquinn@caritasofaustin.org, (512) 466-7080

2. Name, address, telephone number, fax number and email address for Applicant's contact person

Jennifer Hicks, True Casa Consulting, LLC
3000 Sskylark Drive, Austin, TX 78757 78757
jjennifer@truecasa.net
(512-203-44177

3. Amount of Tax-Exempt Bond Issuance Requested?

20,000,000
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4. What type of bond financing is being requested for this development?

XX	Private Activity Bonds	501(c)
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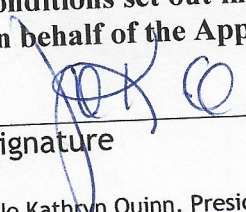
5. If Private Activity Bonds, which Priority Election?

	1		2	X	3
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6. Brief description of project

Espero Austin at Rutland will be a four story, stick-frame, elevator-served building hosting 171 efficiency apartments with targeted common area spaces including supportive service staff offices, fitness room and lounge area. As Supportive Housing, the building will integrate principles of trauma-informed design to create a physical space that promote safety, well-being, and healing for its targeted population. The interior corridor building will have a secured front entry. Taking advantage of the transit-connected location and as allowed by the Affordability Unlocked density bonus program, the property will provide reduced parking as the majority of residents rely on public transit. Each furnished, efficiency apartment will come with individual kitchens and bathrooms.
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The individual signing this Application represents that he or she read and understands the Austin Housing Finance Corporation Multifamily Residential Development Rules and Regulations, that the information contained in the Application form is correct and complete, that the Applicant agrees to the terms and conditions set out in the instructions, and that he or she is legally authorized to sign on behalf of the Applicant.

  
\_\_\_\_\_  
Signature

6.10.2020  
\_\_\_\_\_  
Date

Jo Kathryn Quinn, President/Chief Executive Officer  
\_\_\_\_\_  
Typed Name and Title



## Section B Applicant Information

1. What is the legal form of the Applicant (please check one)

<input type="checkbox"/>	Sole Proprietorship	<input type="checkbox"/>	General Partnership
<input type="checkbox"/>	Business Corporation	<input checked="" type="checkbox"/>	Limited Partnership
<input type="checkbox"/>	501(c)3 Corporation	<input type="checkbox"/>	Limited Liability Company

2. Is the Applicant a "to be formed" entity?

The Applicant has been formed.
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3. Participants in the Application

Please attach an organizational chart identifying the Participants in the Application and identify it at "**Attachment A**". The purpose of this section is to identify and describe the organizations or persons that will own, control and benefit from the Application to be funded with AHFC assistance. The Applicant's ownership structure must be reported down to the level of the individual Principals (natural persons). Persons that will exercise control over a partnership, corporation, limited liability company, trust or any other private entity should be included in the organizational chart. Nonprofit entities, public housing authorities, housing finance corporations and individual board members must be included in this chart.

4. Has the Applicant, any of its officers or directors, or any person who owns a 10% of greater interest in the Applicant ever been found in violation of any rules or regulations of HUD or of any other federal or state agency or been the subject of an investigation by HUD or of any other federal or state agency? If yes, attached a full explanation.

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	No
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5. Development Team Members

Please attach a list with the name, address, telephone number, fax number and email address of Applicant's professional development team members. This should include, but is not limited to, legal counsel, financial adviser, investment banker, mortgage banker, architect, general contractor, etc. This should be identified as "**Attachment B**".

7. Previous Experience

Please attach a summary of the Applicant's (or its principal's) development experience in terms of project types and dates, cost, locations and methods of financing. This should be identified as "**Attachment C**".

8. Financial Capacity

Please attach copies of the Applicant's most recent audited financial statements including balance sheet and profit and loss statements. This should be identified as "**Attachment D**".

## Section C Development Information

1. Is this Application for (please check one)?

<input checked="" type="checkbox"/>	New Construction	<input type="checkbox"/>	Acquisition/Rehabilitation
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2. Describe the location of the project site, including the zip code and its street address (if available). This description will be used in the public hearing advertisement and must be complete enough to permit someone interested in the project to find the site.

1934 Rutland DDrive, Austin, TX 78758X 78758

3. Project Location

Please attach a (1) legal description of the site boundaries and (2) map showing the site and surrounding area. Mark on the map any schools, churches, public parks, shopping centers and other relevant services within a half-mile radius of the site. This information should be identified as "Attachment E".

4. If the proposed site is located in a Qualified Census Tract, please give the tract number.

48453001821

5. If the Applicant owns the project site, please provide the:

Purchase date	N/A
Purchase price	N/A
Balance of existing mortgage	N/A
Name of existing mortgage holder	N/A

6. If the Applicant holds an option or contract to purchase the project site, attach a copy of the Agreement. This should be identified as "Attachment E".

7. Please indicate the total number of units in the development and the number of units that will be rent and income restricted.

Total number of units	171	Number of restricted units	171
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9. Please attach a financing proposal information package that includes at a minimum:

- A. Rent Schedule
- B. Utility Allowance Sheet

- C. Annual Operating Expense Schedule
- D. Development Cost Schedule (budget)
- E. Sources and Uses of Funds Schedule
- F. 30 year proforma
- G. Financing narrative detailing your development plan

This information package should be identified as “Attachment F”.

10. Please check which of the following furnishings and equipment will be included in the individual apartment units:

x	Air conditioning	x	Range
N/A	Disposal	N/A	Carpet
x	Refrigerator	x	Dishwasher
N/A	Fireplace	N/A	Cable TV
N/A	Washer/Dryer		Other (describe)

10. Please check which of the following utilities development tenants will be required to pay for on an individual basis:

N/A	Electricity	N/A	Water and wastewater
N/A	Gas	N/A	Garbage pickup
N/A	Other (describe)		

11. Describe any additional facilities to be included in the project. For example: covered parking, laundry, community space in clubhouse, swimming pool, playground, etc.

Common area spaces will include supportive service staff offices, clothes care center, fitness room, lounge area and a landscaped courtyard. The building will have a secured front entry.

12. Describe any restrictions the Applicant intends to impose on project tenants, such as family size, pets, etc.

Other than HTC and PAB income and rent restrictions, there will be 101 units set-aside for the local Continuum of Care which prioritizes persons experiencing homelessness. It is expected that all persons being referred from the Continuum of Care will come with rental vouchers or subsidies to cover rent.



13. Do you intend to set aside 5% of the units for occupancy by the elderly?

xx	Yes		No
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14. Do you intend to pay the Texas Department of Aging at closing a one-time fee equal to 0.10% of the total principal amount of the bond issue?

	Yes	x	No
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15. Has construction or rehabilitation work on the project begun?

	Yes	x	No
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If yes, give the beginning and estimated completion date:

N/A
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If no, give the anticipated beginning date and completion date:

JJuly 2021 - start of construction	SSeptember 2022 - construction completion
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16. Please give the total cost expended or incurred with respect the project up to the date of this application.

~ % ' z\$\$\$
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17. Please describe briefly the anticipated arrangements for the development management. Attach a resume for the proposed management company and estimate the monthly management fee to be paid. The management company resume should be identified as "Attachment G".

**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

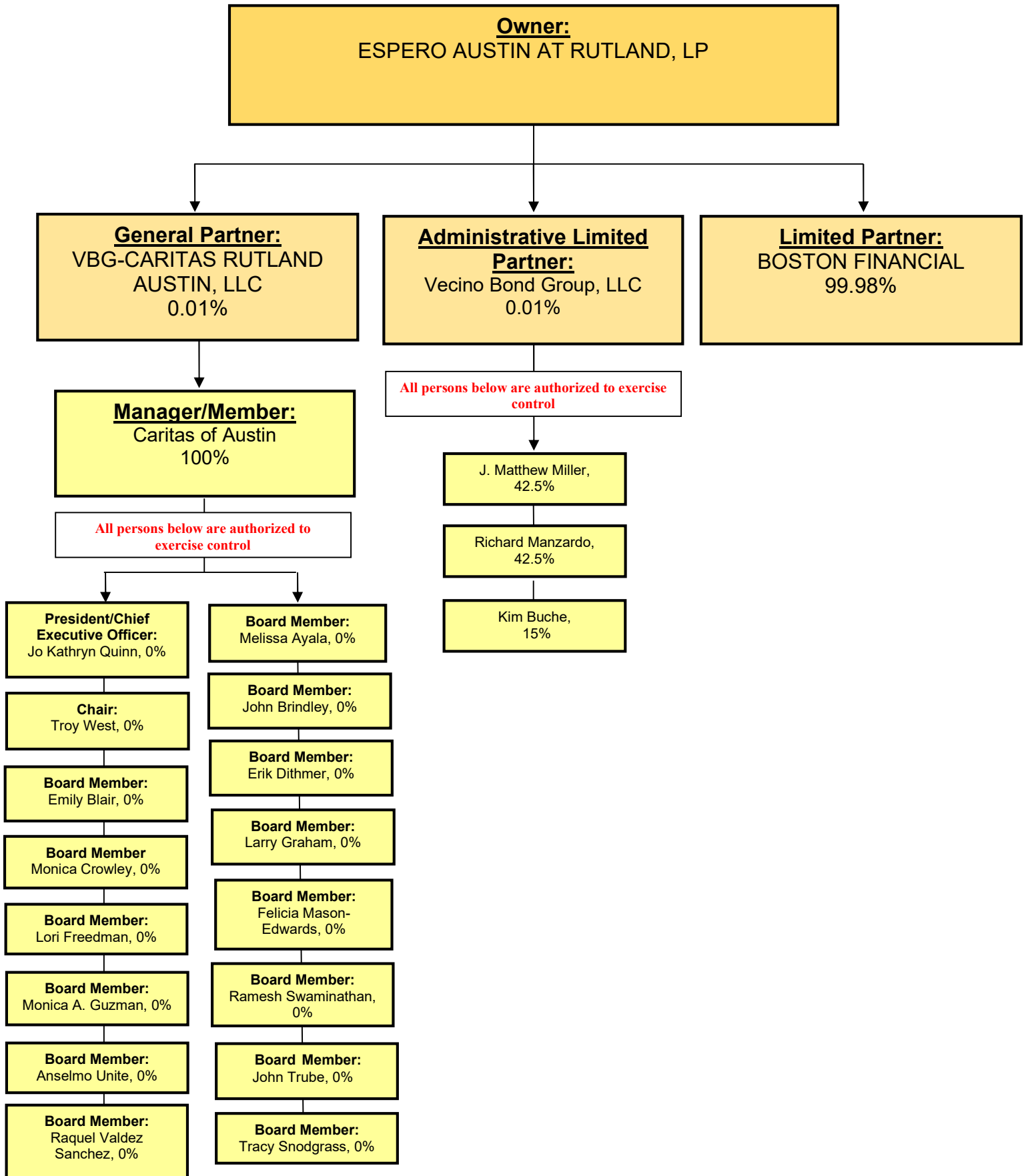
**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT A**

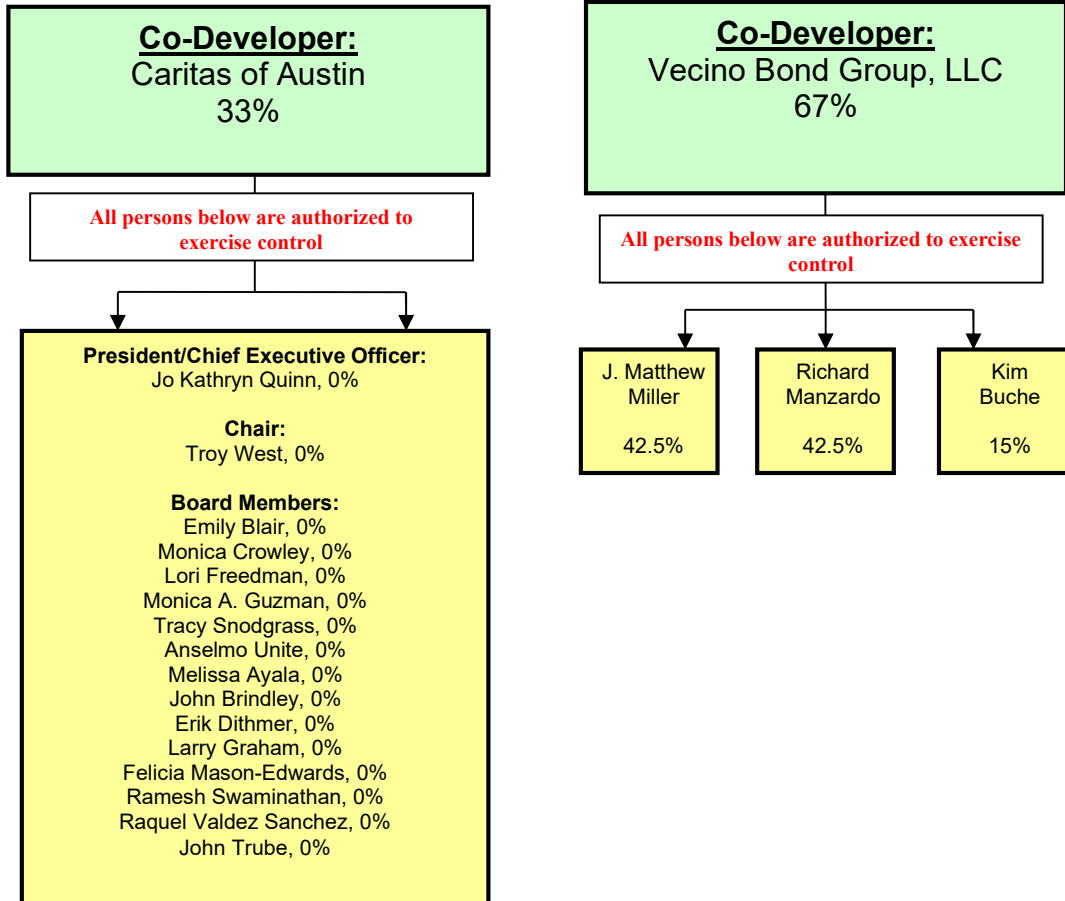
# ESPERO AUSTIN AT RUTLAND – AUSTIN, TEXAS

## Ownership Chart



# ESPERO AUSTIN AT RUTLAND – AUSTIN, TEXAS

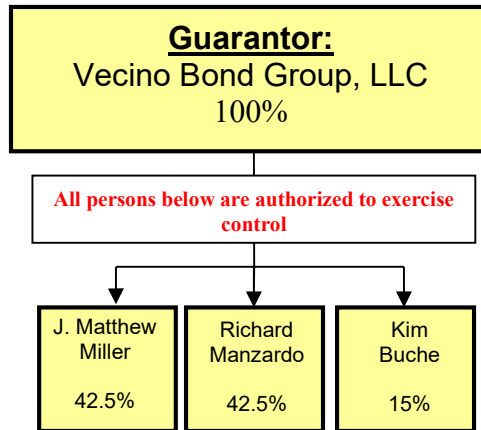
## Developer Chart





## ESPERO AUSTIN AT RUTLAND – AUSTIN, TEXAS

### Guarantor Chart



**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT B**



Caritas  
of Austin



THE VECINO GROUP  
Housing for the greater good.

## DEVELOPMENT TEAM

Caritas of Austin has engaged the following high-quality development team to oversee the development of Espero Austin at Rutland:

Development Team for Espero Austin at Rutland	
<b>Lead Developer</b>	The Vecino Group Richard Manzardo 305 W. Commercial St. Springfield, MO 65803 (417) 720-1577 Rick@vecinogroup.com
<b>Co-Developer</b>	Caritas of Austin Jo Kathryn Quinn 611 Neches Street Austin, TX 78701 (512) 646-1252 Jkquinn@caritasofaustin.org
<b>Development and Financing Consultant</b>	True Casa Consulting, LLC Jennifer Hicks (512) 203-4417 jennifer@truecasa.net Texas HUB and WBE
<b>Architect</b>	Vecino Design, LLC Baxter Reecer (385) 273-3093 baxter@vecinogroup.com
<b>Engineer</b>	Wuest Group Scott Wuest (512) 394-1900 scott@wuestgrouptx.com
<b>General Contractor</b>	Vecino Construction, LLC Mike Willemsen (518) 514-8119 Mike@vecinogroup.com
<b>Attorney</b>	Spencer Fane LLP Shawn Whitney (417) 840-6550 swhitney@spencerfane.com



Caritas  
of Austin



THE VECINO GROUP  
Housing for the greater good.

	Shackelford, Bowen, McKinley & Norton, LLP John Shackelford (214) 780-1414 jshack@shackelford.law
<b>Accountant</b>	Novogradac & Company LLP George F. Littlejohn (512) 349-3211 George.littlejohn@novoco.com
<b>Property Manager</b>	Alpha Barnes Hugh A. Cobb (972) 581-0854 hcobb@abres.com
<b>ESA Provider</b>	Phase Engineering, Inc. Diana Hendrick (713) 476-9844 Diana@phaseengineering.com
<b>Market Analyst</b>	Affordable Housing Analysts Robert O. (Bob) Coe, II (281) 387-7552 Robertocoe2@gmail.com
<b>Supportive Service Provider</b>	Caritas of Austin Jo Kathryn Quinn (512) 646-1252 Jkquinn@caritasofaustin.org

The assembled team brings together vast experience in real estate development, LIHTCs, affordable housing, local development and supportive housing.

With Vecino Group as a dedicated partner, Caritas of Austin is thrilled to bring a national perspective and best practice approach to high-quality supportive housing development that will build the capacity of our community to deliver affordable and supportive units to address housing instability.



**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT C**

It impacts an entire community,  
sets an example, gives back, and  
inspires all involved with a  
greater sense of purpose.

That's development for the  
greater good.



**THE VECINO GROUP**  
Housing for the greater good.





Formed in 2011, The Vecino Group sees every day as a chance to develop housing that makes a difference in our society, community and within each resident's life.

Vecino is the spanish word for *neighbors*. And we believe in their power. People helping people, sharing spaces, resources, and interests has worked since the beginning of time. The Vecino Group would like to get back to that tradition. Through intentional design—design that centers around shared spaces, outside gathering spots, and joint community resources—we *want to bring residents together*.



**Our experience** > With a focus on integrity, teamwork and commitment, the principals of The Vecino Group have done over 2,000,000 square feet of development. We have a proven track record of completing difficult projects under exacting compliance driven conditions. From urban renewal to permanent supportive housing living, we have a knack for establishing a vision, creating partnerships and managing the construction process. *Development is what we do.*

**What we believe** > Being a dreamer is every bit as important as being a do'er. In our personal and our professional lives, the members of The Vecino Group are dedicated to imagining a better world and then working to make it happen. Our team has served on more than three dozen community-focused and not-for-profit boards. *Idealism is what keeps us striving to do better.*



## Our residents are no different than we are.

*Every member of our group would have qualified for affordable housing at some point in our lives. We keep this truth at the center of all of our ideas, refusing to think in terms of "us" and "them." Our housing solutions transcend financial divides and make sense at any income level.*

**Talk less. Listen more.** > Though challenges are often similar, each community is unique—so a cookie-cutter approach is never an option for us. To truly find out what people need from affordable housing, an open dialogue is key. Asking, thinking, discussing—we and our community partners figure it out together. And togetherness builds a solid neighborhood.

## THE 'GUT CHECK'

This isn't our mission statement.  
It's our gut check.

The Vecino Group is a group of believers.

We believe in providing housing  
for the greater good.

That means every project we do must  
pass the gut check.

The gut check isn't a checklist, of course.

It's the acknowledgment that every development  
we do moves us one step closer to living our beliefs.

If a development isn't moving us forward, we  
should be stepping back.

Because when your end goal is bettering the world,  
you can't take a lot of side trips along the way.

We're a group of people who genuinely care. We're  
big enough to be capable and small enough to be  
fearless. We work hard now, believing that 40 years  
from now, our work will still stand strong.

How can you tell it's a Vecino Group project?

If it addresses a broader issue, impacts an entire  
community, sets an example, gives back, and  
inspires everyone working on it with a sense of  
higher purpose.

That's what it takes to pass the gut check.

That's housing for the greater good.  
That's what we believe in.



# About Vecino Group



The Vecino Group is a company devoted  
to housing for the greater good.

*“Affordable/supportive housing, student housing, public  
private partnership; every project we touch has to address a  
broader community issue, set an example, give back & inspire  
the people working on it with a greater sense of purpose.”*

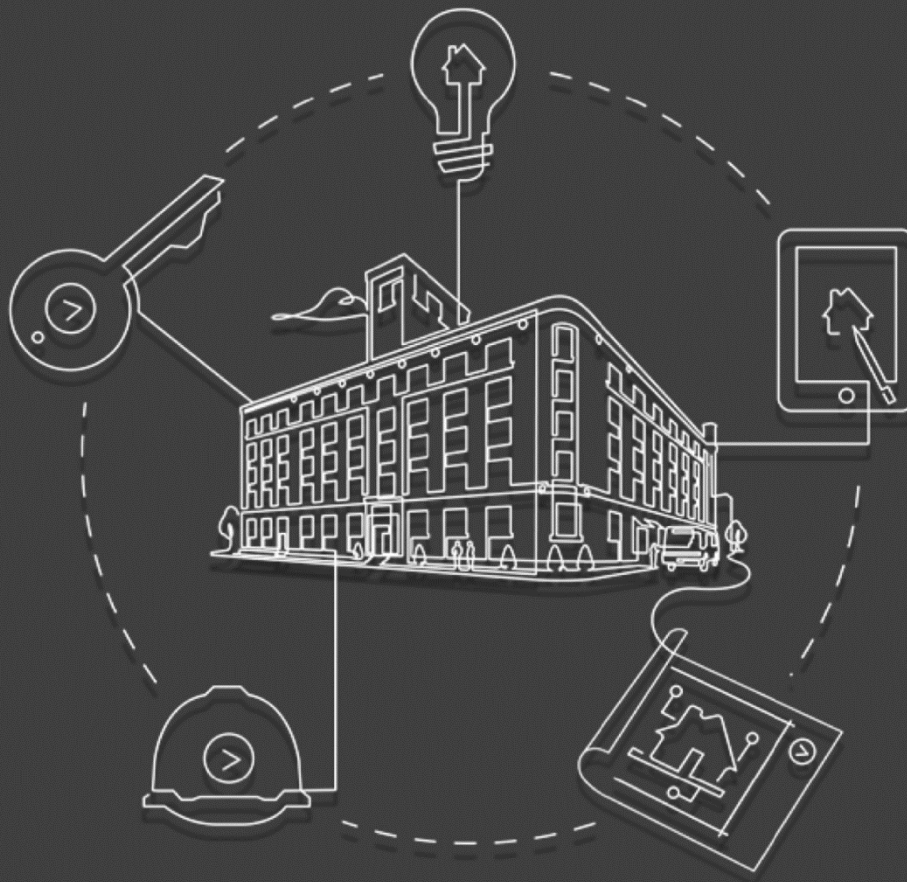






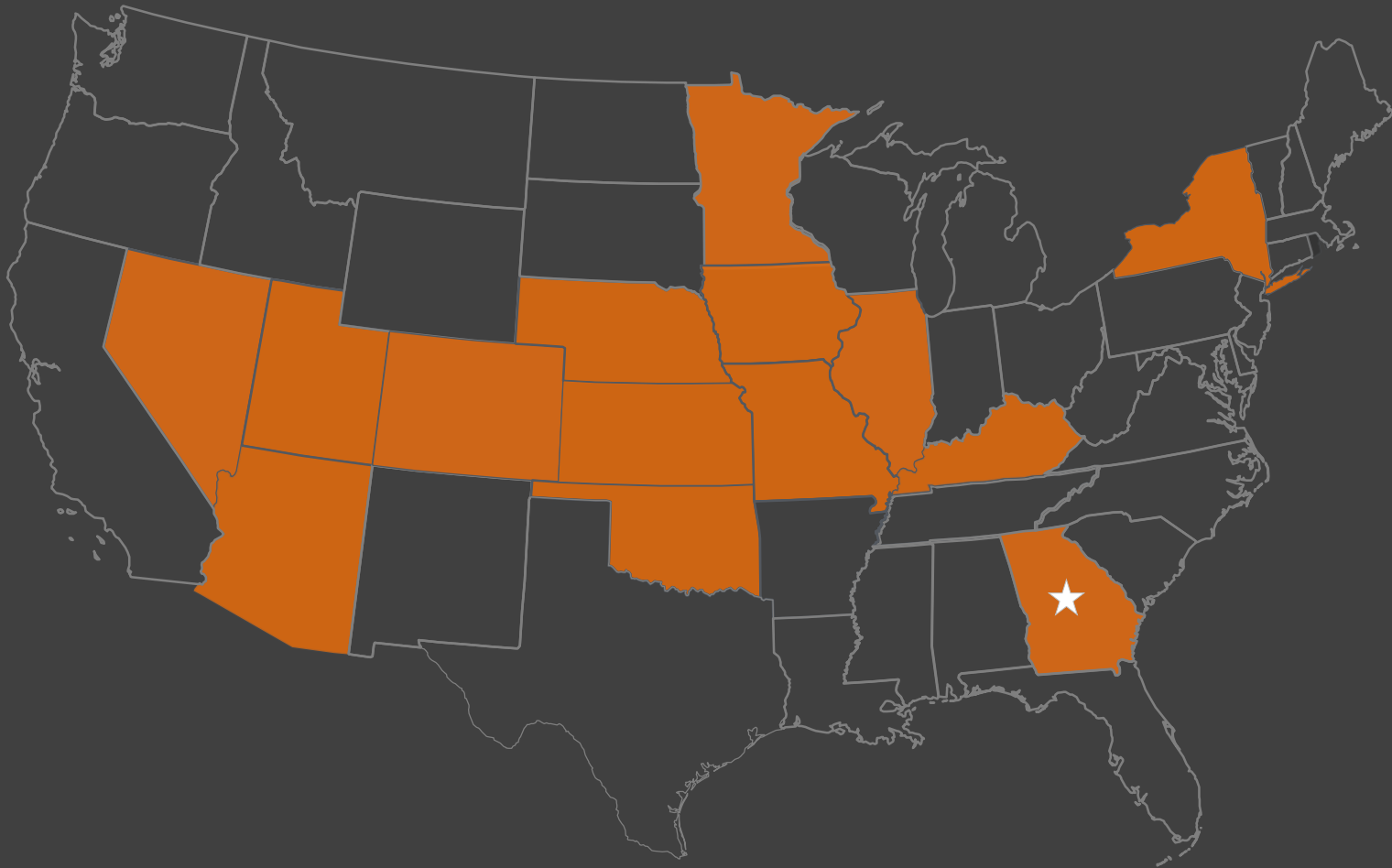
Our focus is purpose-driven development

*"...every project we touch has to address a broader community issue, set an example, give back, and inspire the people working on it with a greater sense of purpose."*



through an  
integrated approach

- Development
- Branding
- Construction
- Property Management



spanning more  
than a dozen states



across three distinct areas



Affordable/Supportive



Student Housing



Public Private Partnerships

# Vecino Group's project list

	Name	City	State	S=student L=LIHTC P3=public/private RAD	Total units	Affordabl e units
DEVELOPMENT	Ithaca Arthaus	Ithaca	NY	L	120	120
	The Quarry	Potsdam	NY	L		
	Cairn Point	Cedar City	UT	L	60	48
DESIGN	Libertad Glendale	Glendale	AZ	L	108	108
	Alhaven	Kansas City	MO	L	50	50
	Eileen's Place	Kansas City	KS	L	60	60
CONSTRUCTION	Freedom Springs	Colorado Springs	CO	L	50	50
	Joplin Bungalows	Joplin	MO	L	20	20
	Intrada Saratoga Springs	Saratoga Springs	NY	L	158	158
	MUSE Omaha	Omaha	NE	S	247	
	MUSE Bowling Green	Bowling Green	KY	S	218	
	Mosaic Village	Cohoes	NY	L	68	68
	444 River Lofts	Troy	NY	L	74	30
	Libertad Des Moines	Des Moines	IA	L	40	40
	Intrada El Reno	El Reno	OK	L	57	56
	Libertad Elmira	Elmira	NY	L	91	90
	Libertad Cedar City	Cedar City	UT	L	80	56
	Block 22	Pittsburg	KS	P3	97	
WARRANTY	Bodhi	Salt Lake	UT	L	80	60
	Asteri	Utica	NY	L	49	49
	Intrada St. Louis	St Louis	MO	L	56	50
	Talia	Springfield	MO	L	46	39
	Cresco	Springfield	MO	S	103	
OPERATIONS	Frisco Lofts	Springfield	MO	L	68	68
	Freedom Place	St Louis	MO	L	68	68
	Park East-The U	Springfield	MO	S	39	
	Park East-Sterling	Springfield	MO	S	30	
	Park East-Sky 11	Springfield	MO	S	90	
	Fulbright Springs II	Springfield	MO	L	35	35
	Fulbright Springs I	Springfield	MO	L	36	36
	Highland Ridge	Nixa	MO	L	50	50
	Hudson Arthaus	Troy	NY	L	80	80



## The Vecino Group is a company devoted to development for the greater good.

What does this mean? It means every project we touch must address a broader community need, set an example, give back, and inspire the people working on the project with a greater sense of purpose.

Across three main channels of development—affordable housing (including HUD-RAD housing authority conversion, permanent supportive housing, and general affordable housing), student housing, and public private partnerships— the Vecino Group believes in making the world a better place, one community, one real estate development at a time.

Our qualifications and experience are one and the same. As a vertically integrated company, the Vecino Group's in-house capabilities include development, design, engineering, construction, and asset management. Our team includes more than sixty seasoned professionals who are able to apply decades of applicable experience in an integrated, collaborative process.

The end result is a testimony to the impact qualified people can have when they work together to achieve purpose driven development. Here's a glimpse of what that looks like—







## FREEDOM — PLACE —

Freedom Place, 2014 — Historic renovation of blighted vacant building providing 68 units of permanent supportive housing for formerly homeless veterans.

CURRENTLY ACTIVE – 100% OCCUPIED

70,000 TOTAL SQUARE FEET

DEVELOPMENT COST: \$12,651,394

LOCATION: ST. LOUIS, MO







## HUDSON ARTHAUS

Hudson Arthaus, 2014 — Multifamily historic renovation providing 80 units of affordable housing offering living and work space for artists.

CURRENTLY ACTIVE – 97% OCCUPIED

99,350 TOTAL SQUARE FEET

DEVELOPMENT COST: \$19,245,923

LOCATION: TROY, NY







## PARK EAST

PARK EAST, 2014 — A four building development consisting of one new construction and three historic buildings renovated into apartments for student housing.

CURRENTLY ACTIVE – 92% OCCUPIED

231,246 TOTAL SQUARE FEET

DEVELOPMENT COST: \$25,461,020

LOCATION: SPRINGFIELD, MO



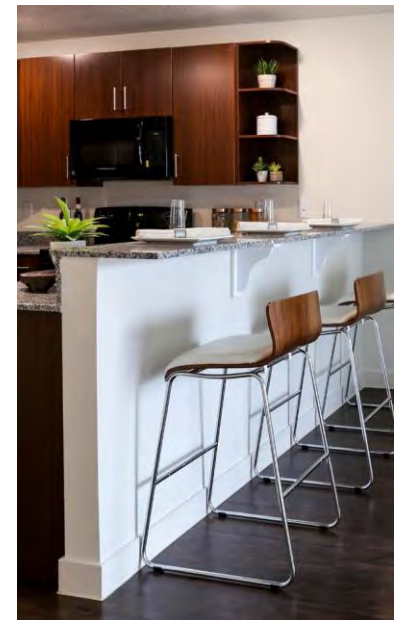




# BODHI

Bodhi, 2018 — Multifamily new construction of 80 affordable and market rate units with multiple set asides for special needs groups.

CURRENTLY ACTIVE – 100% OCCUPIED 81,841  
 TOTAL SQUARE FEET DEVELOPMENT COST:  
 \$14,798,000 LOCATION: SALT LAKE CITY, UT







# INTRADA™

Intrada, 2018 — Multifamily rehabilitation and new construction of 56 units of affordable housing targeting youth aging out of foster care and seniors.

CURRENTLY ACTIVE & LEASING  
48,758 TOTAL SQUARE FEET  
DEVELOPMENT COST: \$10,486,024  
LOCATION: ST. LOUIS, MO







Talia, 2018—Multifamily new construction 46 units of affordable and market rate housing that will target survivors of domestic violence.

CURRENTLY ACTIVE AND 80% LEASED  
 TOTAL SQUARE FEET: 99,350 OCCUPIED  
 DEVELOPMENT COST: \$8,453,000  
 LOCATION: SPRINGFIELD, MO







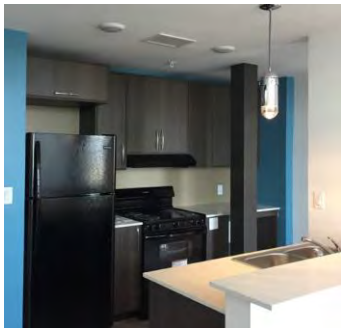
Asteri, 2018 — Renovation of a historic building creating 49 units of affordable housing with a set aside for individuals with developmental disabilities.

CURRENTLY ACTIVE – 100% OCCUPIED

51,000 TOTAL SQUARE FEET

DEVELOPMENT COST: \$11,535,060

LOCATION: UTICA, NY







## 444 RIVER LOFTS

444 River Lofts — Renovation of historic building creating 74 units of affordable and market rate with 7,261 square feet of commercial space.

CURRENTLY UNDER CONSTRUCTION  
102,000 TOTAL SQUARE FEET LOCATION:  
TROY, NY







# LIBERTAD

Libertad Elmira — Renovation of historic building creating 91 units of affordable housing along with 1,989 sq. feet of commercial space.

CURRENTLY UNDER CONSTRUCTION  
95,000 TOTAL SQUARE FEET LOCATION:  
ELMIRA, NY







Mosaic Village — New construction of 68 units, with a set aside for 14 units for individuals with intellectual and/or developmental disabilities.

CURRENTLY UNDER CONSTRUCTION  
78,000 TOTAL SQUARE FEET LOCATION:  
COHOES, NY







# **INTRADA**™

Intrada Saratoga Springs — New construction of 158 units of affordable housing for families and youth aging out of foster care.

CURRENTLY UNDER CONSTRUCTION  
 152,787 TOTAL SQUARE FEET LOCATION:  
 SARATOGA SPRINGS, NY





# Muse™

Muse Omaha — New construction Student Housing at Creighton University providing 247 units and 371 beds for inspired student living.

CURRENTLY UNDER CONSTRUCTION

195,000 TOTAL SQUARE FEET

LOCATION: OMAHA, NE







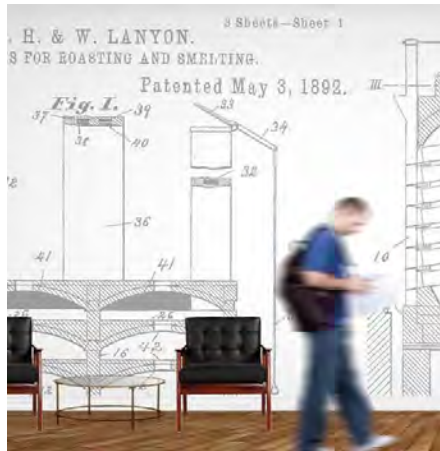
## BLOCK 22

Block 22 — Through a public private partnership with Pittsburg State University, the City of Pittsburg and Vecino Group, four Historic buildings are being redeveloped into an innovation hub—featuring 90 units of student housing, co-working & office space, a fully—equipped maker’s space, retail space and is home to PSU’s Center for Innovation & Business Development.

CURRENTLY UNDER CONSTRUCTION

100,000 TOTAL SQUARE FEET

LOCATION: PITTSBURG, KS







IDEA Commons — A public private partnership between the City of Springfield, Missouri State University and the Vecino Group creating new office space, a parking garage, central commons area and an urban park. IDEA Commons will also include the expansion of the Jordan Valley Innovation Center and renovation of the e-Factory, transforming a complete area of the downtown community.

JVIC ADDITION: 30,000 SQ. FT.

E-FACTORY ADDITION: 2,000 SQ. FT. NEW

OFFICES & RETAIL: 100,000 SQ. FT. NEW

PARKING GARAGE: 132,000 SQ. FT.

LOCATION: SPRINGFIELD, MO





**J. MATTHEW MILLER - VECINO GROUP;** *Chief Executive Officer* Matt is the CEO of the Vecino Group. Matt spent the first twenty years of his career focused on urban redevelopment before landing on his favorite project yet; co-founding the Vecino Group and growing it into a national company. Matt has successfully competed over 85 real estate deals. With a passion for unconventional business approaches, a knack for strategy, and a genuine enjoyment of providing opportunity, Matt sees no limit to the good the VG can achieve.

## EXPERIENCE

2011–  
PRESENT

### Chief Executive Officer

VECINO GROUP

Responsible for leading the development and execution of the company. Manages the overall operations and resources of the company as well as sets goals and strategy and provides overall vision.

2008–  
PRESENT

### Developer/Owner

MATT MILLER COMPANY

Worked with small team to develop multiple community development projects in Springfield Missouri—including an integral role in the growth and revitalization of the downtown area.

## SKILLS

- > Analytical Thinking
- > Budget Management
- > Real Estate Development
- > Strategic Planning
- > Leadership
- > Community Development

### ACCOMPLISHMENTS

20 years of development experience  
85 deals closed  
6 LIHTC Deals  
10 non-profit board positions

## EDUCATION

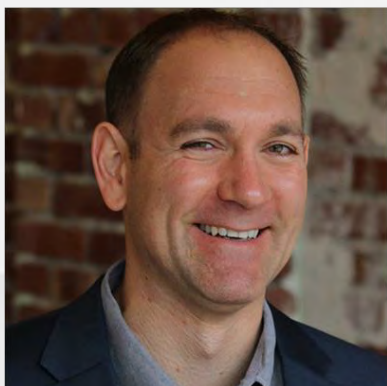
### Bachelors in Political Science & Russia Area Studies

UNIVERSITY OF MISSOURI

### Minor in Photography

UNIVERSITY OF MISSOURI





**RICK MANZARDO** - *Vecino Group; President* Rick's responsibilities include preparation and analysis of financial feasibility studies, overseeing construction budgeting and collaborating with nonprofits on affordable projects. From project inception to completion, Rick is integral to the process in working with the state, stakeholders, partners and the community. Rick has overseen Affordable and Supportive development for the Vecino Group for the last 6 years, working with the development team in over a dozen states.

## EXPERIENCE

2012–  
PRESENT

### President

THE VECINO GROUP

Leads team of talented LIHTC developers, researching possible states to enter and advise on development details. Reviews development proposals and applications as well as use industry experience and strategy to help guide our team. Works with syndicators, lenders, state agencies and internal team on developments, from inception to completion. Advises on financial underwriting to all development lines.

1998–  
2012

### Trader/Owner

PRIVATE INVESTMENT FIRM

Actively traded using arbitrage strategy, with hundreds of intraday trades, and annual trade volume in excess of \$1 billion. Responsible for all stock selection and trades, research and overall strategy.

## SKILLS

- > Underwriting
- > Strategic Planning
- > Budget Management
- > Leadership
- > Contract Negotiation
- > Developer of strategic partnerships with stakeholders

## ACCOMPLISHMENTS

- 15 years of real estate development
- 10 historic redevelopments
- 9 states with LIHTC experience

## EDUCATION

### Business Administration & Economics

DRURY UNIVERSITY

### Master of Business Administration in Finance

MISSOURI STATE UNIVERSITY



**THE VECINO GROUP**  
Housing for the greater good.

**Kim Buche**

**CHIEF ADMINISTRATIVE OFFICER**

## ABOUT

Kim is the CAO of the Vecino Group. Kim is responsible for bringing deals from conception to successful completion. Her responsibilities include financial planning and analysis of potential projects, creating and maintaining relationships with the development team (bankers, investors/partners, consultants, professionals), overseeing the closing process, daily operations, and project compliance. Kim has a mind for dollars and cents, as well as an unending supply of common sense.

## EXPERIENCE

### 2011–PRESENT **Chief Administrative Officer**

THE VECINO GROUP

Oversees financial planning and record-keeping, as well as financial reporting. Aids the deal closing process and oversees asset management. Also manages human resource responsibilities for the company.

### 2005–2013 **Director of Operations**

MATT MILLER COMPANY

Worked with small team to develop multiple community development projects. Responsible for overseeing financial daily operations and maintaining relationships with investors. Aided the closing process for all developments.

## SKILLS

- > Financial Management
- > Contract Negotiation
- > Customer Service
- > Strategic Planning & Project Management
- > Leadership
- > Human Resources

## ACCOMPLISHMENTS

- 12 Historic Redevelopments
- 15 tax abatement distinctions successfully granted
- 5 types of tax credits utilized

## EDUCATION

### **High School Diploma**

LIVERMORE HIGH SCHOOL



**KODY REDWING** - VECINO GROUP; *Chief Financial Officer* Kody Redwing is the Chief Financial Officer of the Vecino Group. Combining his past experience in lending and finance with his passion for accountability, Kody is responsible for maintaining the financial health of the Vecino Group. From securing funding on development deals to managing internal cash flow, Kody is responsible for all things money related.

## EXPERIENCE

2017–  
PRESENT

### Chief Financial Officer

VECINO GROUP

Analyze Affordable & Supportive Housing, Student Housing, and Public-Private Partnership developments. Leverage an array of funding sources, including various State and Federal tax credit programs and other public and private funds, into real estate developments for the greater good. Manage Vecino finances and cash flow. Funding special- ties include low income housing tax credits, historic tax credits, new

2015–  
2017

### Assistant Vice-President

SPRINGFIELD FIRST COMMUNITY BANK

Originate loans to business owners and real estate investors. Ensure customer satisfaction through quality servicing of Bank relationships. Examine, report, and document the credit status of large commercial loan relationships. Assess adequacy of loan structure and review loan documentation.

## SKILLS

- > Analytical Thinking
- > Budget Management
- > Real Estate Development
- > Financial Analysis
- > Leveraging funding sources

## ACCOMPLISHMENTS

- 5 Years of Commercial Real Estate Experience
- 5 Affordable Developments Financed Totaling \$75 million
- Secured \$37 million in Tax Credit Equity
- 3 New Student Housing Developments Financed Totaling \$90 million

## EDUCATION

### Bachelors of Science, Finance

MISSOURI STATE UNIVERSITY

### School of Lending

MISSOURI BANKERS ASSOCIATION





**HEATHER BRADLEY-GEARY** - *Vecino Group; Director of Supportive Housing* Heather's life goal is to see the end of homelessness. She has spent her career working to that end. Prior to Vecino, Heather established the Community Initiatives Department at Missouri Housing Development Commission (MHDC), providing oversight of \$16 million dollars of homeless assistance annually. During her time at MHDC, Missouri was one of only 5 states to decrease family homelessness and decreased homelessness by 15% statewide. Heather sees permanent supportive housing as the best path to permanently eliminating homelessness, which is why she joined the Vecino Group.



## EXPERIENCE

- 2014–PRESENT**     **Supportive Housing Developer**  
THE VECINO GROUP
- Collaborate with non-profits, private funders, and government officials to secure funding to develop permanent supportive housing for persons who are homeless. Responsible for lead community meetings in relation to supportive housing initiatives, complete housing applications to secure funding and provide presentations and education on homelessness.
- 2017–PRESENT**     **Adjunct Professor, School of Social Welfare**  
THE UNIVERSITY OF KANSAS
- Provide instruction to social work candidates, with special concentration on social policy.
- 2006–2014**     **Community Initiatives Manager**  
MISSOURI HOUSING DEVELOPMENT COMMISSION
- Oversee homeless assistance programs for the state of Missouri (\$20 million annually), including Housing Trust Fund, Continuum of Care, Homeless Management Information System, Housing First and Emergency Solutions Grant. As well as oversee supportive housing initiative in relation to low-income housing tax credits (\$13.5 million annually).

## SKILLS

- > Accomplished presenter
- > Leader & Educator
- > Community & Economic development
- > Coordination & Subcontracting
- > Marketing
- > Program development & Community organizing

## PUBLIC SERVICE

- Board Member  
SAVE, INC
- Executive Committee Board Member  
NATIONAL ASSOCIATION OF SOCIAL WORKERS
- Appointed Board Member  
COUNCIL ON YOUTH HOMELESSNESS
- Executive Board Member & Grants Committee Co-Chair  
GREATER KANSAS CITY COALITION TO END HOMELESSNESS
- Missouri Legislative Captain  
NATIONAL ALLIANCE TO END HOMELESSNESS

## EDUCATION

- Master's of Social Work**  
THE UNIVERSITY OF KANSAS
- Bachelor of Fine Arts in Music Therapy**  
UNIVERSITY OF MISSOURI



**THE VECINO GROUP**  
Housing for the greater good.

## Mike Willemsen, PMP

PRESIDENT OF CONSTRUCTION

### ABOUT

With 10+ years of construction experience, Mike has served as project manager on numerous high-profile developments. He has significant experience on projects in multi-family housing, higher education, historic renovation, corporate operations and water/wastewater treatment. Mike is responsible for overseeing and leading the multi-state Vecino Construction team and delivering each project to a high standard. Not only is he ASHE certified, but is currently pursuing certification as a LEED Accredited Professional.

### EXPERIENCE

2018–PRESENT

#### President of Construction

THE VECINO GROUP

Operational oversight of all projects, including cost monitoring, schedule reviews and implementation of safety, quality and risk management programs. Mike maintains oversight of all project staff and subcontractors for contractual compliance while fostering relationships, development opportunities, growth and performance of the project team.

2009–2018

#### Senior Project Manager

U.W. MARX CONSTRUCTION

Responsible for preconstruction, construction, and closeout of \$50M/Year portfolio of construction projects. Projects ranging from new construction, renovation and rehabilitation and included municipal utilities, higher education work, K-12 School work, industrial and clean room work, affordable and market rate multifamily, and commercial/retail spaces.

### SKILLS

- > Contract Planning & Scheduling
- > Stakeholder Management
- > Budget Management
- > Project Documentation
- > Leadership
- > Procurement & Quality Control

### CERTIFICATIONS

30-Hour OSHA Outreach  
CONSTRUCTION SAFETY & HEALTH

ASHE  
HEALTHCARE CONSTRUCTION CERTIFICATE (HCC)

Project Management Professional  
PMP

Project Management Institute  
PMI

### EDUCATION

Bachelor of Science in Global Supply  
Management/Project Management

CLARKSON UNIVERSITY



**THE VECINO GROUP**  
Housing for the greater good.

## Baxter Reecer, AIA, NCARB

PRESIDENT OF ARCHITECTURE AND DESIGN

### ABOUT

Baxter is President of Architecture and Design at the Vecino Group—overseeing a team of architects, engineers, and designers, Baxter is responsible for developments nationwide. Multifamily. P3. Student. Commercial. Residential. With extensive knowledge in all phases of project completion, Baxter paves the way to make Vecino goals a reality.

### EXPERIENCE

**2019–PRESENT**    **President of Architecture and Design**

THE VECINO GROUP

Oversees team of architects and engineers through architectural planning, promotion and design for all Vecino projects. Responsibilities include involvement from early planning to project completion including research, setting goals, budgeting, engineering, design, planning and final development.

**2013–2018**    **Project Architect**

FENNELL PURIFOY ARCHITECTS

Worked on all phases of design and implementation in multi-family, private residential, library, commercial, civic, healthcare, and educational types. Managed projects including specifications, bidding, contract negotiation, jurisdiction approval, construction administration, and closeout.

### SKILLS

- > Understanding of history, cultural, and environmental concerns
- > Analyze and critically assess problems to develop solutions
- > Proficient in technologies including: Revit, Autocad, Sketchup, Lumion, & Adobe Suite
- > Interpersonal skills to manage a complex project team
- > Technical understanding & implementation of building materials and elements

### AFFILIATIONS

American Institute of Architects (AIA)

National Council of Architectural Registration Boards (NCARB)

Arkansas AIA Central Section Representative

Licensed in Arkansas

### EDUCATION

#### Bachelor of Architecture

DRURY UNIVERSITY - SPRINGFIELD, MO



## **ESPERO AUSTIN AT RUTLAND - AUSTIN, TEXAS**

Caritas of Austin will be regularly, continuously, and substantially involved in providing services integral to the Development Team. Caritas of Austin will be the sole member and manager of the General Partner throughout the compliance period, oversee the property management and coordinate supportive services. As co-Developer, Caritas of Austin will receive 33% of the developer fee with the exception of any amount deferred.

Caritas of Austin will be involved in this development from construction through lease-up and operation through the compliance period. Caritas of Austin will be a member of the development team and involved in the design and development process. Caritas of Austin will have staff located on-site and will be responsible for inspection of leasing records and interaction with on-site staff; supervision of the property management company, analysis of financials, vacancy rate and capital improvements; review and approval of operating budgets; oversight of resident service coordination and compliance; and engagement with residents to ensure client satisfaction.

To date, Caritas of Austin has already performed the following development roles:

- Vetting of development sites
- Negotiation of purchase contract
- Local government engagement and support
- Community support and engagement
- Neighborhood engagement
- Design input and vetting
- Review of architectural plans and site plan
- Program design and rent schedule
- Procurement of operational subsidies
- Interviews with Property Management Firms

Caritas of Austin will be intimately involved in the financing for the project including the review and execution of all finance documents, agreements and instruments (both capital and operational).

### **Experience in Housing Industry**

Caritas of Austin – an Austin-based non-profit with a track record of success and 14 years of experience in addressing housing instability through supportive housing – is the most qualified nonprofit to help deliver additional high-quality, deep-impact supportive housing to our neighbors who need it most.

**Permanent Supportive Housing** - Caritas of Austin's Permanent Supportive Housing program provides housing, onsite supportive services, and mental health counseling for disabled individuals experiencing long-term homelessness. By using best practices and continually adding new layers of peer and mental health support, Caritas is proud that last year 98% of individuals remained stable in housing and did not return to the streets.

**Housing Stability** - Caritas of Austin provides rapid rehousing services to families and individuals who are experiencing shorter-term homelessness. An unexpected crisis such as an injury, illness, or a lost job can cause a loss of stable housing. Caritas meets people in their time of greatest need and quickly intervenes to rehouse families to prevent long-term homelessness. Caritas employs customized, evidence-based solutions to end a family's homelessness once and for all, which helps build stability for future generations.

**Youth Program** - Caritas of Austin works collaboratively with local nonprofits SAFE and LifeWorks to provide a stable home for youth currently or at risk of experiencing homelessness. With Caritas' rapid re-housing program for youth, we are able to intervene early in young people's lives, giving them the best possible chance to build wellbeing and stability early on. Caritas personalizes services to meet the unique challenges faced by young people, and provides support with other areas of wellbeing like employment, mental health, life skills, education, and social support.

**Best Single Source Plus** - Caritas of Austin is the lead and fiscal agent of this 12-agency collaborative aimed at preventing and ending homelessness in Austin and Travis County.

#### **Housing Program Highlights:**

- Operating Permanent Supportive Housing for 14 years
- 98% of Supportive Housing clients remain stable in housing
- Provided housing services to 556 people last year
- Currently operate 156 units of supportive housing across multiple properties throughout Austin

#### **Property Management**

Caritas of Austin has been operating supportive housing for 15 years with 556 people receiving housing services last year. During this time, Caritas has leased and had program staff on-site at multiple TDHCA-funded properties, with up to 112 units at a given time. Caritas of Austin serves in a property manager role for multiple communities with staff performing functions such as application and lease intake, calculating income, establishing tenant selection criteria, monitoring occupancy and filling vacancies, enforcement of house rules, fulfilling maintenance requests, inspection of units, analysis of capital needs and resident engagement. Caritas of Austin staff is very familiar with leasing requirements from multiple funding programs including Low Income Housing Tax Credits and TDHCA-funded MFDL programs. Several of Caritas of Austin's lead housing program staff served in property management roles at other TDHCA-funded properties and vice versa.

#### **Compliance**

Caritas of Austin manages revenue of just under \$11M a year, over 65% of that revenue is from Government Grant programs that provide operational subsidies and housing program assistance. Caritas manages \$172k in annual rent from residents. This rent represents 30% of resident income not covered by operational subsidy.

With their expansive housing program, Caritas of Austin has internal controls and guidelines to manage compliance from a variety of private and public funders. The agency has multiple monitoring visits per year and currently does not have any programs that are on performance improvement plans from funders. Caritas of Austin is the fiscal agent of the Best Single Source (BSS+) collaborative. In this role, Caritas staff conduct monitoring visits for the eleven other agencies that receive funding, to monitor program and financial compliance.

In all Caritas of Austin housing programs, staff obtain income certifications and calculations during eligibility screening into the program, when there is a change of income status, and at annual assessment. For supportive housing programs, staff calculate occupancy charges/rent based on the participant's income utilizing HUD guidelines. All housing programs conduct habitability inspections prior to tenants moving in to units, and conducts additional inspections during tenancy. Caritas of Austin is experienced at creating tenant selection criteria, agreements and guidelines based on a variety of funding sources using best practices policy.

In Caritas of Austin's past A-133 audits – which reviews controls and compliance specifically related to government related programs – there has never been a qualified or adverse opinion (all were clean audits). Similarly, Caritas has monitoring visits and file reviews from a host of government agencies and has a historical record of no findings. Finally, Caritas of Austin – with its presence at TDHCA-financed programs – has been part of TDHCA monitoring visits and is very familiar with that process.





# Caritas of Austin

Ending Homelessness Together.



2018 ANNUAL REPORT



## 2018 BOARD OF DIRECTORS

John Lavorato – *Board Chair*  
Melissa Ayala  
Emily Blair  
John Brindley  
Monica Crowley  
Erik Dithmer

Lori Freedman  
Larry Graham  
Jenny Gregorcyk  
Monica Guzmán  
Luke Martinez  
Lane Prickett

Tracy Snodgrass  
Ramesh Swaminathan  
Anselmo Unite  
Troy West  
Mike Haggerty – *Emeritus*

A large, stylized house icon composed of thick, dark teal lines. The house has a simple roof and a central door area. It serves as a background for the text.

## OUR VALUES

Commitment · Equity · Respect · Innovation · Excellence

## OUR MISSION

To prevent and end homelessness for people in Greater Austin.

## OUR VISION

To make homelessness rare, brief, and nonrecurring in Central Texas.



We believe, that when people have a stable place to call home, they can reach their full potential and contribute to the community. This belief is the foundation of Caritas of Austin's mission to prevent and end homelessness in Greater Austin. Guiding our work to build on that foundation are five core values: respect, equity, commitment, excellence and innovation.

The experience of homelessness looks different for everyone. Caritas of Austin meets each individuals where they are; then we apply our beliefs, values, and proven practices to build wellbeing and long-term housing stability.

We believe that, **TOGETHER**, we can end homelessness. Thank you for making it possible to turn these core beliefs into reality.

A handwritten signature in black ink, appearing to read 'Jo Kathryn Quinn'.

**Jo Kathryn Quinn, President and Chief Executive Officer**

**JO KATHRYN QUINN,**  
President and Chief Executive Officer



A photograph of a woman with reddish-brown hair, wearing a light blue and white striped button-down shirt and dark trousers, sitting on a set of wooden stairs. She is looking down and smiling at a black dog standing next to her. The dog has its mouth open, showing its tongue, and is wearing a green collar. The stairs are made of light-colored wood and have a metal handrail. In the background, there is a brick wall and a small green plant in the foreground.

"Every time I walk into my  
apartment, there is relief  
and joy and self-esteem."

—Sandy





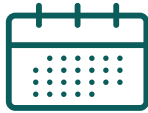
526  
people received  
housing services in 2018





## HOUSING

### 2018 PROGRAM HIGHLIGHTS



**98%**

Of individuals in our supportive Housing program remained in stable housing




**111**

Veteran households served



**1,290**

Households served by Best Single Source Plus Collaborative

A middle-aged man with glasses and a mustache is sitting in a black folding chair outdoors. He is wearing a white t-shirt with a blue graphic of a bear riding a unicycle. The background shows a light-colored wooden wall and a large green fern plant in a red pot. A quote is overlaid on the right side of the image.

"When I got my first  
paycheck, I felt  
I truly lived here,  
was part of Austin."

—Bill



A photograph of two men sitting at a wooden desk in an office. The man on the left is bald with a grey beard, wearing a dark t-shirt with a graphic. The man on the right is wearing a light-colored button-down shirt. They are both looking at each other and talking. On the desk are a laptop, a telephone, a cup, and some papers. A window with a plant and a framed picture is in the background.

"Having my own place is allowing me to  
save money so I can try to build my skills."

—Charles

## EDUCATION & EMPLOYMENT

### 2018 PROGRAM HIGHLIGHTS



**147**

New job placements



**\$12.81**

Average starting wage



**97**

People received job-specific training and certification



**82**

Individuals participated in  
**874** education classes





1,577

Volunteers provided

24,354

Hours of service





## FOOD SERVICES 2018 PROGRAM HIGHLIGHTS



**58,351**

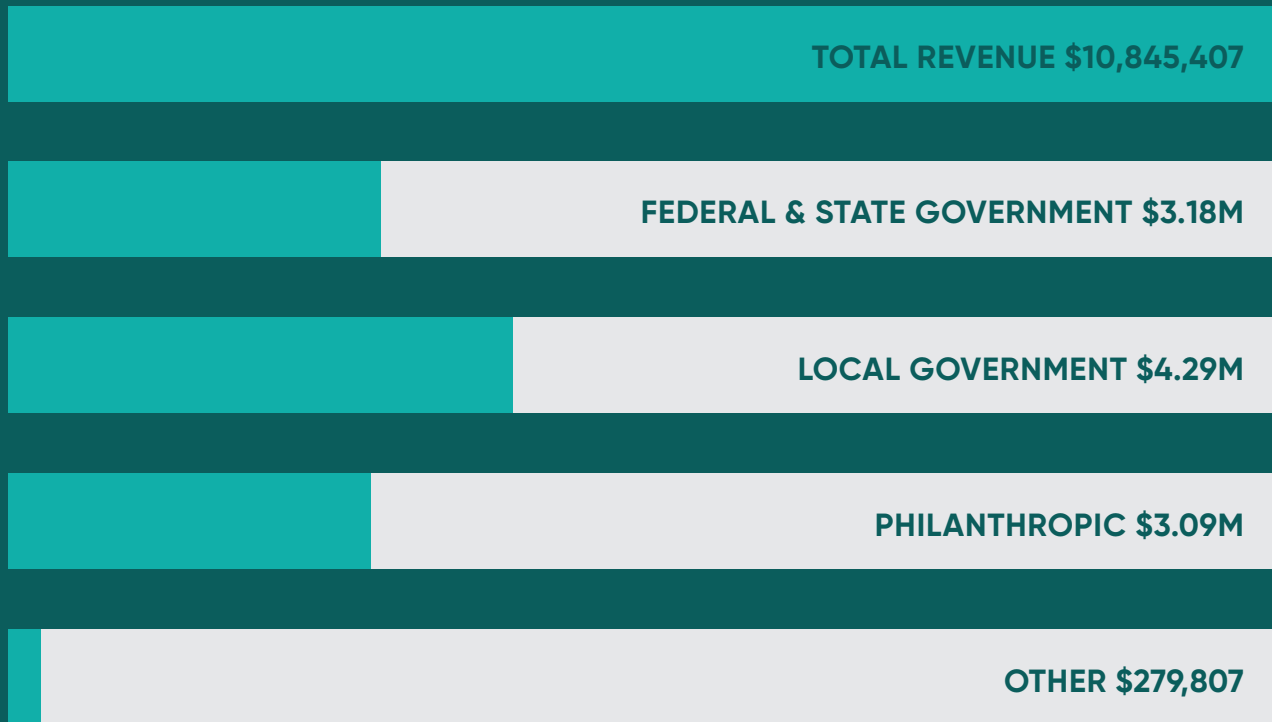
Lunches served with an average of  
**240** people served daily



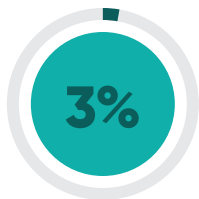
**20,295**

Meals provided from Pantry  
groceries (two locations)

## 2018 REVENUE BY SOURCE



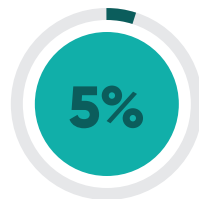
## 2018 EXPENSES BY PROGRAM



Administrative



BSS+ Collaborative\*



Employment & Education



Refugee Resettlement



Housing



Veteran Services



Food Services



Other Program Support



Fundraising

All numbers are based on unaudited financials from fiscal year 2018 (October 1, 2017 through September 30, 2018). Audited financials can be provided upon completion.

\*Caritas of Austin is the lead and fiscal agent for Best Single Source Plus, a 12-agency collaborative focused on homelessness prevention and rapid re-housing.



# ENDING HOMELESSNESS TOGETHER.



Caritas of Austin

611 Neches St.  
Austin, Texas 78701

[CaritasOfAustin.org](https://CaritasOfAustin.org)

# TRUE CASA CONSULTING, LLC

## Bio for Jennifer Hicks, Founder:

Jennifer Hicks has over 20 years of affordable housing development and finance experience working for Foundation Communities - the State's premier nonprofit, affordable housing developer. As Director of Housing Finance, Hicks led the development of 14 innovative and high-impact communities that provided 1,559 units of affordable housing. While at Foundation Communities, Hicks also helped create and implement the first supportive housing model in Austin and grew the model to 783 units before her departure. In her current consulting capacity, Hicks has continued working with nonprofits to help structure and access capital for permanent supportive housing projects in Texas. Hicks' passion and expertise is centered around high-impact housing and enjoys the complexity and challenge these projects provide. She marries her development and finance skills with a deep understanding of the target population that helps inform both the physical and programmatic design of the project that best suits the target population. Hicks has strong relationships with quality investors, lenders and local and state housing funders. Hicks was honored to be a part of Affordable Housing Finance's first round of 40 and Under Young Leaders, but her greatest reward is creating places for people to call home.

## Affordable Housing Development Experience

True Casa has the following experience in Affordable Housing Development:

- 1) Leading affordable housing site selection for new communities including analyzing sites for scoring and threshold requirements with Housing Tax Credit program.
- 2) Structuring purchase contracts to meet requirements of Housing Tax Credit program.
- 3) Reviewing purchase contracts and ensuring milestones are all achieved.
- 4) Coordinating professionals to conduct third party due diligence reports and reviewing all reports (i.e. Phase I ESA, appraisals, market studies, property condition assessments, civil engineering reports, and surveys.)
- 5) Managing the required follow-up for any third party due diligence reports (i.e. Phase II ESA work.)
- 6) Coordinating RFQ's for architect and general contractor selection, including participating in selection committee.
- 7) Overseeing the financial structuring and development of 1,800 units of affordable housing.
- 8) Running project budgets and proformas for proposed affordable housing developments.
- 9) Managing the construction budget process including reviewing bids and participating in value engineering.
- 10) Leading the contract review and finalization for general contractor and architect and ensuring all federal requirements are properly referenced and adhered to, as well.
- 11) Participating in design review and input to ensure housing is designed with target population in mind.
- 12) Creating the organizational structure for new affordable housing developments including name registration and new entity creation with the Texas Secretary of State.

# TRUE CASA CONSULTING, LLC

- 13) Ensuring that design and construction team is made aware of State and Federal housing construction requirements and that they are properly adhered to.
- 14) Overseeing compliance with Davis Bacon wage reporting and Federal labor standard laws.
- 15) Coordinating with development team on zoning and permit issues and timing, as needed.
- 16) Engaging with neighborhoods and community organizations on affordable housing education and specific development support.
- 17) Raising over \$218 million in grants and loans from public and private sources for the acquisition, rehabilitation and new construction of affordable housing.
- 18) Winning 9% low income housing tax credits in Texas on 11 developments in the past 10 years.
- 19) Preparing and processing 9% HTC applications including leading response to all deficiencies, underwriting and ensuring project meets all required reporting milestones.
- 20) Completing all reporting due to TDHCA on all HTC-funded projects – commitment, Carryover Allocation Agreement, 10% Test, construction monitoring reports, LURA origination, and Cost Certification.
- 21) Creating RFP for equity investors and lenders on affordable housing developments and analyzing responses for a final selection recommendation.
- 22) Negotiating the final LOIs from investors and lenders, as well as reviewing and negotiating the limited partnership agreement for tax credit projects.
- 23) Securing over \$10M in grant awards from the Federal Home Loan Bank Affordable Housing Program in 12 awards – application, underwriting, subsidy draw and initial compliance monitoring.
- 24) Securing gap funding from a variety of funding sources including: City of Austin Rental Housing Development Assistance Program, TDHCA Multifamily Direct Loan Program and Capital Magnet Fund.
- 25) Ensuring construction stays on timeline and meets any funder required deadlines (i.e. HTC PIS deadline.)
- 26) Leading the construction draw requests to construction lender and equity provider.
- 27) Ensuring all tax credit equity is drawn according to agreed upon milestones.
- 28) Coordinating with property management on lease-ups for HTC projects.
- 29) Structuring housing vouchers in new developments.
- 30) Designing supportive housing models based on site and project parameters.
- 31) Tracking project stabilization and leading the conversion to permanent mortgage.
- 32) Facilitating the refinancing of six different communities and preserving affordability.
- 33) Coordinating the Year 15 response on HTC financed communities.
- 34) Leading the closing on land acquisition and all project financing including coordinating the closing team and responding to due diligence calls from lender and investor.
- 35) Creating a compliance checklist that details all funder requirements for ongoing operations.



# TRUE CASA CONSULTING

Project	New or Rehab	# of Units	Project Type	Financing	Year Complete	Income Mix
Arbor Terrace, Austin, TX	Rehab	120	Supportive Housing	Neighborhood Stabilization Program via TDHCA, City of Austin RHDA Program, FHLB Atlanta, NeighborWorks America	2012	90 units – 30% MFI 30 units – 50% MFI
Bluebonnet Studios, Austin, TX	New	107	Supportive Housing	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, TCAP, Enterprise Green Communities, NeighborWorks America, Private Fundraising	2016	22 units – 30% MFI 21 units – 40% MFI 64 units – 50% MFI
Burnet Place Apartments, Austin, TX	New	61	Supportive Housing	City of Austin RHDA, TDHCA MFDL, FHLB San Francisco, Private Fundraising	Under Development	13 units – 30% MFI 13 units – 40% MFI 35 units – 50% MFI
Capital Studios, Austin, TX	New	135	Supportive Housing	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, Enterprise Green Communities, NeighborWorks America, Private Fundraising	2014	27 units – 30% MFI 27 units – 40% MFI 81 units – 50% MFI
Cardinal Point, Austin, TX	New	120	Family	9% LIHTC, City of Austin RHDA Program, FHLB AHP, Private Fundraising	2017	12 units – 30% MFI 60 units – 50% MFI 48 units – 60% MFI

# TRUE CASA CONSULTING

Eastern Oaks Apartments, Austin, TX	Rehab	30	Family	TDHCA MFDL and RHDA Program	Under Development	All units below 30% MFI
Garden Terrace, Austin, TX	Rehab/New	123	Supportive Housing	City of Austin RHDA funding, FHLB AHP, TDHCA HOME, Section 8 Moderate Rehabilitation SRO Program	2003, 2008, 2017	45 units – 30% MFI 75 units – 50% MFI 3 units - UR
Homestead Oaks, Austin, TX	New	140	Family	9% LIHTC, City of Austin RHDA Program, HUD 221(d)(4) loan, FHLB AHP, NeighborWorks America, Private Fundraising	2015	14 units – 30% MFI 70 units – 50% MFI 42 units – 60% MFI 14 units - MKT
The Jordan at Mueller, Austin, TX	New	132	Family	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, Private Fundraising	Under Construction	14 units – 30% MFI 66 units – 50% MFI 52 units – 60% MFI
Lakeline Station, Austin, TX	New	128	Family	9% LIHTC, City of Austin RHDA Program, Department of Justice Funds, Private Fundraising	2017	13 units – 30% MFI 64 units – 50% MFI 51 units – 60% MFI
Live Oak Trails, Austin, TX	New	58	Family Supportive Housing	9% LIHTC, City of Austin RHDA Program, Department of Justice Funds, Private Fundraising	2017	12 units – 30% MFI 12 units – 40% MFI 34 units – 50% MFI
M Station, Austin, TX	New	150	Family	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, Enterprise	2011	15 units – 30% MFI 75 units – 50% MFI

# TRUE CASA CONSULTING

				Green Communities, NeighborWorks America, Private Fundraising, Permanent Mortgage with Impact Capital via Bank of America		45 units – 60% MFI 15 units – MKT
Roosevelt Gardens, Austin, TX	New Construction	40	Supportive Housing	City of Austin RHDA, TDHCA MFDL, FHLB San Francisco	Under Development	14 units – 30% MFI 26 units – 50% MFI
Sierra Vista, Austin, TX	Rehab	238	Family	9% LIHTC, City of Austin RHDA Program, FHLB San Francisco, NeighborWorks America, Private Fundraising, Permanent Mortgage with Impact Capital via Bank of America	2012	24 units – 30% MFI 166 units – 50% MFI 48 units – 60% MFI
Spring Terrace, Austin, TX	Rehab	142	Supportive Housing	City of Austin RHDA, TDHCA HOME and HTF, FHLB Dallas, NeighborWorks America, Enterprise Green Communities, Private Fundraising	2006	14 units – 30% MFI 126 units – 50% MFI 2 units – UR
Skyline Terrace Austin, TX	Rehab	100	Supportive Housing	9% LIHTC, City of Austin RHDA, TDHCA HOME, FHLB San Francisco, NeighborWorks America, Enterprise Green	2008	72 units – 30% MFI 28 units – 40% MFI



# TRUE CASA CONSULTING

				Communities, Private Fundraising		
Waterloo Studios, Austin, TX	New Construction	132	Supportive Housing	9% LIHTC and City of Austin RHDA Program	Under Development	26 units – 30% MFI 26 units – 40% MFI 80 units – 50% MFI



# Civil Engineering & Surveying In Central Texas





## ENGINEERING & SURVEYING

### OFFICE

2007 S 1<sup>st</sup> Street  
Suite 103  
Austin, Texas 78704  
(512) 394-1900

### REGISTRATION

State of Texas:  
Firm No. F-15324  
Firm No. 10193837

### SERVICES

Title Surveys  
Design Surveys  
Subdivision Platting  
Land Planning  
Site Planning  
Grading & Drainage  
Detention Design  
Water Quality Design  
Sanitary Sewer Design  
Water Supply Design  
Stormwater Design  
Floodplain Modeling  
Transportation Analysis  
Traffic Impact Analysis  
Traffic Planning  
Traffic Signal Design  
Temporary Traffic Controls  
Construction Management  
Project Management

## FIRM PROFILE

Founded in 2009 by Scott Wuest, P.E., Wuest Group is a locally-owned and operated civil engineering firm promoting an elevated standard in engineering and development in Central Texas. We believe in integrity, excellence, and efficiency, and are dedicated to providing our clients with creative, cost efficient solutions to each project's unique parameters. This progressive company specializes in local land development and entitlement, surveying, municipal engineering, and construction management services.

With an established record of exceptional performance, we pride ourselves on our high quality of work, ability to meet schedules, and cost control. We work intimately with each client to understand their particular goals and to ensure that those goals reach fruition in a timely and effectual manner. Extensive experience in the design and permitting of a disparity of site development projects allows us to understand the unique needs and obstacles that these projects face. Our team is adept at providing imaginative and innovative solutions to those challenges, ensuring the best outcome for our clients.

Our approach to providing quality service is using experienced, competent people working in proven, productive environments. A company is only as good as the people within – at Wuest Group, we are a close-knit group of the most capable and dedicated individuals, creating a cohesive and well-functioning team. We work passionately to bring a unique and innovative perspective to each of our projects.





ENGINEERING & SURVEYING



**Scott M. Wuest, P.E.**  
Owner

#### Education

B.S. in Civil Engineering,  
Texas A&M University

#### Registration

State of Texas:  
Professional Engineer  
No. 98412

#### Memberships

Real Estate Council of  
Austin:  
2014-Present  
Board Member  
2010-2013  
Membership Chair  
2002-2013  
Chapter Member  
American Society of Civil  
Engineers  
American Council of  
Engineering Companies  
Austin Chamber of  
Commerce  
Star of Texas Rodeo  
Bulletproof Committee  
Friend of the Ronald  
McDonald House  
Coastal Conservation  
Association

#### Recognitions

2012 Aggie 100 Nominee

Scott Wuest brings more than 15 years of local experience with Austin urban projects to Wuest Group. As a business owner, Mr. Wuest incorporates an entrepreneurial thought process to civil engineering design, scheduling, and project management. Analytical and dynamic, he has the ability to see alternative design methods and incorporate them efficiently into a budget, plan, and overall project.

Prior to forming Wuest Group in 2009, Mr. Wuest was a manager at a high-profile engineering firm, representing projects ranging in size from 1 to 450 acres. His comprehensive expertise encompasses all phases of land development for a wide array of projects including retail, office, industrial parks, single and multifamily residences, master planned communities, and public infrastructure. A thorough understanding of city code and process has allowed Mr. Wuest to develop relationships with City of Austin staff throughout his career as both an engineer and resident.

### Representative Projects and Experience

**Master Planning - Centerpoint Community**, Lockhart, TX

**Suburban Office - 2535 SH-130 Complex**, Hutto, TX

**Austonia East RV Park**, 4105 Doctor Scott Drive, Del Valle, TX

**Skyloft Multifamily**, 507 W 23 Street, Austin, TX

**The Corner**, 2504 San Gabriel Street, Austin, TX

**The Colton House Boutique Hotel**, 2510 S Congress Ave, Austin, TX

**Onion Creek Volkswagen Car Dealership**, 10812 S IH 35, Austin, TX

**Alcove Storage**, 1000 E 51st Street, Austin, TX

**The Nine at Austin Housing**, 2518 Leon Street, Austin, TX

**2100 Rio Housing**, 2100 Rio Grande Street, Austin, TX

**Hilltop Multifamily**, 2408 San Gabriel Street, Austin TX

**Nakatomi Multifamily**, 2513 Seton Avenue, Austin TX

**Moontower Multifamily**, 2204 San Antonio Street, Austin TX

**Metacortex Multifamily**, 2400 Seton Avenue, Austin TX

**Eastgate Midrise Condominiums**, 2015 Manor Road, Austin, TX

**Juke Automotive**, 924 Shady Lane, Austin, TX

**The Ruckus Midrise Housing**, 2502 Nueces Street, Austin, TX

**ATX Storage**, 6901 N IH 35, Austin, TX

**St. Austin Catholic Parish**, 2026 Guadalupe St, Austin, TX

**The Triangle**, 4600 Guadalupe Street, Austin, TX

**Snyder Dermatology Office**, Round Rock, TX

**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT D**

# **CARITAS OF AUSTIN**

## **(A Nonprofit Corporation)**

Report of Independent Auditor and Financial  
Statements with Reports on Federal Award  
Programs in Accordance with the *Uniform  
Guidance*

September 30, 2019 and 2018





**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
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## **REPORT OF INDEPENDENT AUDITOR**

To the Board of Directors  
Caritas of Austin

### ***Report on Financial Statements***

We have audited the accompanying financial statements of Caritas of Austin (the “Organization”), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2019 and 2018, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 14 to the financial statements, in March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result of the declared outbreak, an economic downturn has had a significant negative impact on local and global economies. While the Organization expects this matter to negatively impact its results of operations, cash flows and financial position, the related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.



## **Other Matters**

### ***Supplementary Information Required by Uniform Guidance***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2020 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal controls over financial reporting and compliance.

**PMB HELIN DONOVAN, LLP**

*PMB Helin Donovan, LLP*

May 21, 2020  
Austin, Texas



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Statements of Financial Position

September 30, 2019 and 2018

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ 1,359,354	\$ 1,296,878
Investments	26,077	25,139
Pledges receivable, net	487,171	68,094
Grants and other receivables, net	854,595	749,590
Prepaid expenses and other current assets	71,286	121,955
Property and equipment, net	<u>1,135,254</u>	<u>1,259,360</u>
Total assets	<u><u>\$ 3,933,737</u></u>	<u><u>\$ 3,521,016</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 311,259	\$ 451,059
Accrued expenses and other current liabilities	254,264	284,026
Line of credit	<u>150,000</u>	<u>-</u>
Total liabilities	<u>715,523</u>	<u>735,085</u>
Net assets:		
Without donor restrictions	2,622,830	2,598,537
With donor restrictions	<u>595,384</u>	<u>187,394</u>
Total net assets	<u>3,218,214</u>	<u>2,785,931</u>
Total liabilities and net assets	<u><u>\$ 3,933,737</u></u>	<u><u>\$ 3,521,016</u></u>

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Statement of Activities  
Year Ended September 30, 2019

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Support:			
Governmental grant revenue	\$ 7,154,981	\$ -	\$ 7,154,981
Contribution revenue	1,910,143	1,088,085	2,998,228
In-kind revenue	347,654	-	347,654
Revenue:			
Special events income	593,610	-	593,610
Clients' rent	191,180	-	191,180
Interest income	5,509	-	5,509
Other revenue	39,206	-	39,206
Net assets released from restrictions	680,095	(680,095)	-
Total support and revenue	<u>10,922,378</u>	<u>407,990</u>	<u>11,330,368</u>
<b>EXPENSES</b>			
Program services:			
Best Single Source Plus collaboration	3,784,963	-	3,784,963
Refugee resettlement	97,947	-	97,947
Supportive housing	3,127,284	-	3,127,284
Employment services	307,516	-	307,516
Food services	660,407	-	660,407
Veterans services	685,698	-	685,698
Education	174,598	-	174,598
Other program support	288,694	-	288,694
Total program services	<u>9,127,107</u>	<u>-</u>	<u>9,127,107</u>
Support services:			
Fundraising	1,086,121	-	1,086,121
General and administrative	684,857	-	684,857
Total support services	<u>1,770,978</u>	<u>-</u>	<u>1,770,978</u>
Total expenses	<u>10,898,085</u>	<u>-</u>	<u>10,898,085</u>
<b>CHANGE IN NET ASSETS</b>	24,293	407,990	432,283
<b>NET ASSETS, beginning of year</b>	<u>2,598,537</u>	<u>187,394</u>	<u>2,785,931</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 2,622,830</u></u>	<u><u>\$ 595,384</u></u>	<u><u>\$ 3,218,214</u></u>

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Statement of Activities  
Year Ended September 30, 2018

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Support:			
Governmental grant revenue	\$ 7,474,968	\$ -	\$ 7,474,968
Contribution revenue	2,111,134	233,051	2,344,185
In-kind revenue	285,916	-	285,916
Revenue:			
Special events income	460,529	-	460,529
Clients' rent	198,880	-	198,880
Interest income	2,148	-	2,148
Other revenue	78,782	-	78,782
Net assets released from restrictions	721,918	(721,918)	-
Total support and revenue	<u>11,334,275</u>	<u>(488,867)</u>	<u>10,845,408</u>
<b>EXPENSES</b>			
Program services:			
Best Single Source Plus collaboration	3,925,178	-	3,925,178
Refugee resettlement	816,553	-	816,553
Supportive housing	2,364,604	-	2,364,604
Employment services	644,587	-	644,587
Food services	444,810	-	444,810
Veterans services	639,390	-	639,390
Education	160,693	-	160,693
Other program support	564,692	-	564,692
Total program services	<u>9,560,507</u>	<u>-</u>	<u>9,560,507</u>
Support services:			
Fundraising	1,099,602	-	1,099,602
General and administrative	757,148	-	757,148
Total support services	<u>1,856,750</u>	<u>-</u>	<u>1,856,750</u>
Total expenses	<u>11,417,257</u>	<u>-</u>	<u>11,417,257</u>
<b>CHANGE IN NET ASSETS</b>	(82,982)	(488,867)	(571,849)
<b>NET ASSETS, beginning of year</b>	<u>2,681,519</u>	<u>676,261</u>	<u>3,357,780</u>
<b>NET ASSETS, end of year</b>	<u>\$ 2,598,537</u>	<u>\$ 187,394</u>	<u>\$ 2,785,931</u>

See report of independent auditor and accompanying notes.



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Statement of Functional Expenses  
For the Year Ended September 30, 2019

**Program Services**

	<b>Best Single Source Collaboration</b>	<b>Refugee Resettlement</b>	<b>Supportive Housing Programs</b>	<b>Employment Services</b>	<b>Food Services</b>	<b>Veterans Services</b>	<b>Education</b>	<b>Other Program Support</b>	<b>Total Program Services</b>	<b>Fundraising</b>	<b>General and Administrative</b>	<b>Total Support</b>	<b>Total</b>
Expenses:													
Direct Client Assistance													
Rent	\$ 1,704,933	\$ -	\$ 1,507,938	\$ 4,050	\$ -	\$ 231,738	\$ -	\$ 1,699	\$ 3,450,358	\$ 2,731	\$ -	\$ 2,731	\$ 3,453,089
Utility	155,723	-	97,405	-	-	20,473	-	156	273,757	483	-	483	274,240
Food	-	-	938	-	51,660	-	-	-	52,598	-	-	-	52,598
Financial assistance	-	44,573	599	-	39	-	-	-	45,211	7	-	7	45,218
Other	190,861	773	104,719	27,158	58	20,281	12,666	201,914	558,430	3,881	1,268	5,149	563,579
Total direct client assistance	2,051,517	45,346	1,711,599	31,208	51,757	272,492	12,666	203,769	4,380,354	7,102	1,268	8,370	4,388,724
Salaries	511,898	42,905	744,830	189,029	155,241	248,035	79,484	214,037	2,185,459	373,162	298,252	671,414	2,856,873
Payroll taxes and benefits	112,980	7,801	155,187	37,284	33,238	48,934	17,475	45,924	458,823	65,388	49,107	114,495	573,318
Total personnel	624,878	50,706	900,017	226,313	188,479	296,969	96,959	259,961	2,644,282	438,550	347,359	785,909	3,430,191
Printing, postage and supplies	9,926	2	17,375	1,918	19,032	3,718	1,630	4,688	58,289	48,596	11,227	59,823	118,112
Communication	13,137	179	22,285	2,860	4,005	5,721	1,890	5,514	55,591	7,757	4,455	12,212	67,803
Professional and contract service	976,110	(535)	190,408	14,749	22,420	28,785	31,501	32,299	1,295,737	104,034	215,196	319,230	1,614,967
Occupancy costs	45,214	138	97,502	8,742	23,505	18,365	6,651	97,136	297,253	26,671	11,418	38,089	335,342
Travel and vehicle expenses	14,645	69	37,901	2,328	2,276	12,403	458	1,341	71,421	9,531	6,975	16,506	87,927
Promotional and development	-	-	259	-	-	(1)	-	-	258	246,683	2,733	249,416	249,674
Insurance	5,604	-	8,049	1,074	1,939	2,283	771	2,539	22,259	3,384	1,722	5,106	27,365
Depreciation	27,603	-	39,646	5,291	9,548	11,243	3,800	12,508	109,639	16,665	8,484	25,149	134,788
In-kind	12,842	2,042	99,111	12,900	337,334	31,113	18,249	(331,498)	182,093	140,999	24,562	165,561	347,654
Other expenses	3,487	-	3,132	133	112	2,607	23	437	9,931	36,149	49,458	85,607	95,538
	1,108,568	1,895	515,668	49,995	420,171	116,237	64,973	(175,036)	2,102,471	640,469	336,230	976,699	3,079,170
Total expenses	<u>\$ 3,784,963</u>	<u>\$ 97,947</u>	<u>\$ 3,127,284</u>	<u>\$ 307,516</u>	<u>\$ 660,407</u>	<u>\$ 685,698</u>	<u>\$ 174,598</u>	<u>\$ 288,694</u>	<u>\$ 9,127,107</u>	<u>\$ 1,086,121</u>	<u>\$ 684,857</u>	<u>\$ 1,770,978</u>	<u>\$ 10,898,085</u>

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Statement of Functional Expenses  
For the Year Ended September 30, 2018

**Program Services**

	<b>Best Single Source Collaboration</b>	<b>Refugee Resettlement</b>	<b>Supportive Housing Programs</b>	<b>Employment Services</b>	<b>Food Services</b>	<b>Veterans Services</b>	<b>Education</b>	<b>Other Program Support</b>	<b>Total Program Services</b>	<b>Fundraising</b>	<b>General and Administrative</b>	<b>Total Support</b>	<b>Total</b>
Expenses:													
Direct Client Assistance													
Rent	\$ 1,702,506	\$ 146,564	\$ 1,220,320	\$ 1,050	\$ -	\$ 221,055	\$ -	\$ 33,527	\$ 3,325,022	\$ -	\$ -	\$ -	\$ 3,325,022
Utility	208,445	12,758	79,589	-	-	24,323	-	3,299	328,414	354	-	354	328,768
Food	-	377	567	-	40,447	-	19	33	41,443	883	-	883	42,326
Financial assistance	-	84,037	253	185,663	249	-	-	999	271,201	7	10	17	271,218
Other	244,182	30,306	91,067	43,329	-	47,147	-	208,304	664,335	9,984	9,673	19,657	683,992
Total direct client assistance	2,155,133	274,042	1,391,796	230,042	40,696	292,525	19	246,162	4,630,415	11,228	9,683	20,911	4,651,326
Salaries	582,677	274,921	575,700	212,204	178,090	238,050	91,800	177,335	2,330,777	358,141	483,530	841,671	3,172,448
Payroll taxes and benefits	126,103	59,467	116,486	45,118	44,917	49,856	20,312	38,985	501,244	73,514	92,032	165,546	666,790
Total personnel	708,780	334,388	692,186	257,322	223,007	287,906	112,112	216,320	2,832,021	431,655	575,562	1,007,217	3,839,238
Printing, postage and supplies	12,219	8,022	14,223	7,923	17,212	1,867	2,341	8,137	71,944	78,806	15,522	94,328	166,272
Communication	14,018	9,241	12,370	9,136	4,155	2,552	1,655	4,705	57,832	7,572	4,316	11,888	69,720
Professional and contract service	903,871	78,579	60,077	54,841	4,928	6,772	19,655	7,536	1,136,259	225,410	72,596	298,006	1,434,265
Occupancy costs	64,224	43,850	64,657	45,951	26,341	16,397	10,036	65,923	337,379	36,884	23,548	60,432	397,811
Travel and vehicle expenses	18,555	8,195	31,023	4,597	3,453	13,539	2,043	3,548	84,953	9,741	29,738	39,479	124,432
Promotional and development	-	-	1,237	-	-	363	-	-	1,600	249,970	3,138	253,108	254,708
Insurance	5,883	4,880	3,137	4,699	1,874	483	812	2,129	23,897	3,169	1,381	4,550	28,447
Depreciation	24,699	18,031	20,653	22,566	7,540	10,149	4,754	9,903	118,295	13,985	4,316	18,301	136,596
In-kind	17,123	37,238	69,338	6,243	115,601	6,825	6,240	-	258,608	20,555	6,754	27,309	285,917
Other expenses	673	87	3,907	1,267	3	12	1,026	329	7,304	10,627	10,594	21,221	28,525
	1,061,265	208,123	280,622	157,223	181,107	58,959	48,562	102,210	2,098,071	656,719	171,903	828,622	2,926,693
Total expenses	<u>\$ 3,925,178</u>	<u>\$ 816,553</u>	<u>\$ 2,364,604</u>	<u>\$ 644,587</u>	<u>\$ 444,810</u>	<u>\$ 639,390</u>	<u>\$ 160,693</u>	<u>\$ 564,692</u>	<u>\$ 9,560,507</u>	<u>\$ 1,099,602</u>	<u>\$ 757,148</u>	<u>\$ 1,856,750</u>	<u>\$ 11,417,257</u>

See report of independent auditor and accompanying notes.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Statements of Cash Flows  
Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 432,283	\$ (571,849)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	134,788	136,596
Changes in operating assets and liabilities:		
Pledges receivable, net	(419,077)	83,859
Grants and other receivables	(105,005)	256,267
Prepaid expenses and other assets	50,669	(3,725)
Accounts payable	(139,800)	155,883
Accrued expenses and other current liabilities	(29,762)	(24,111)
Net cash (used in) provided by operating activities	<u>(75,904)</u>	<u>32,920</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(938)	(25,139)
Purchases of property and equipment	<u>(10,682)</u>	<u>(7,792)</u>
Net cash used in investing activities	<u>(11,620)</u>	<u>(32,931)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Draw on line of credit	<u>150,000</u>	<u>-</u>
Net cash provided by financing activities	<u>150,000</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	62,476	(11)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>1,296,878</u>	<u>1,296,889</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u><u>\$ 1,359,354</u></u>	<u><u>\$ 1,296,878</u></u>

See report of independent auditor and accompanying notes.



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018

**NOTE 1. ORGANIZATION**

Caritas of Austin (“Caritas” or the “Organization”), a nonprofit organization incorporated in 1977, was founded in 1964 with the vision that all people deserve to have their basic needs met. Today the Organization of Austin intersects with thousands of people who are experiencing poverty and homelessness. Services focused on housing, food, education, and employment enable people to move toward stability and self-sufficiency. The following is an overview of Caritas's programs:

**Best Single Source Plus (“BSS Plus”) Collaboration** program is a collaboration among thirteen of the Austin and Travis County area’s leading nonprofit service providers, trading competition for collaboration to benefit those most in need. Participating agencies include: Aids Services of Austin, Any Baby Can, The Arc of the Capital Area, Caritas of Austin, Catholic Charities of Central Texas, Family Eldercare, Foundation for the Homeless, Front Steps, Goodwill Industries of Central Texas, Meals on Wheels and More, Safeplace, and Salvation Army. The BSS Plus program provides comprehensive case management and basic needs such as rent, mortgage, utility assistance and housing support; and services to eligible individuals and families in the Travis County and Austin area. The program’s primary purpose is establishing housing stability, preventing, and ending homelessness. Caritas is the fiscal and administrative agent for BSS Plus and houses a dedicated Program Coordinator for the project.

**Refugee Resettlement Services** for documented refugees begins with their arrival in Austin and includes housing, cultural orientation, employment assistance, and connection to other community resources. The goal of these services is to help refugees’ transition to life in the United States and achieve self-sufficiency within their first six months of arrival. Refugees served are approved for resettlement by the United States government.

**Supportive Housing** programs provide permanent housing and onsite supportive services for individuals who have experienced long-term homelessness and who are recovering from the trauma they have experienced while being homeless.

**Employment Services** program provides clients opportunities to find and keep jobs in order to support themselves and their families. Clients receive assistance with short-term job placement as well as long-term career development. Services include: pre-employment preparation such as job readiness training, vocational certification, ESL classes, and assistance with professional recertification; referral and placement; work authorization; logistical support; new hire paperwork assistance; and post-hire support.

**Food Services** consist of the Caritas Community Kitchen and food pantries. Each weekday the Caritas Community Kitchen serves a hot, nutritious lunch to over 200 people, no questions asked. The food pantries provide groceries and hygiene items to individuals and families already receiving services from Caritas of Austin.

**The Supportive Services for Veteran Families** program is designed to increase housing stability for veteran families that are at-risk of homelessness or experiencing homelessness. Supportive services include outreach, case management, help in obtaining VA benefits, emergency financial assistance, and assistance obtaining and coordinating other public benefits.

**Education** classes provide clients with opportunities to enrich their lives and help them reach their full potential. The program takes a holistic approach by teaching the participants the tools they will need to achieve their personal and financial goals. The Organization’s education classes focus on three areas: life skills, money management, and workforce development.

**Other Program Support** includes classes for highly trained volunteers that partner with clients to rebuild well-being in their lives. It includes program eligibility screening, scheduling appointments with program staff, and referring individuals to community resources.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation*** - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) as defined by the Financial Accounting Standards Board.

***Classification of Net Assets*** - The financial statements report information regarding the Organization's financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

*Net assets without donor restrictions* - Net assets that are not subject to stipulations. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by action of the Board of Directors of the Organization.

*Net assets with donor restrictions* - Net assets the use of which is subject to stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations.

***Use of Estimates*** - The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include allowances for doubtful accounts, useful lives of depreciable property and equipment and the allocation of functional expenses. Actual results could differ from these estimates.

***Concentration of Credit Risk*** - The Organization maintains cash balances at federally insured financial institutions. At various times during the years ended September 30, 2019 and 2018, balances in these accounts may have exceeded Federal Deposit Insurance Corporation (FDIC) insured limits, however, the Organization has not experienced and does not anticipate any credit losses on these deposits.

***Cash and Cash Equivalents*** - Cash equivalents are considered to be investments purchased with original maturities of three months or less.

***Property and Equipment*** - Property and equipment valued at \$1,000 or greater are recorded at cost when purchased. Donated property and equipment is recorded at the fair market value as of the date of the gift. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets, generally 5 years for furniture and fixtures and 39 years for buildings. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations for the current period. The cost of maintenance and repairs is charged to operations as incurred; significant renewals and betterments are capitalized.

The Organization reviews the carrying value of fixed assets for possible impairment whenever circumstances indicate the carrying amount of an asset may not be recoverable. An impairment loss is recognized to the extent the sum of undiscounted estimated cash flows expected from the use of the asset is less than the carrying amount. There were no events that occurred during the years ended September 30, 2019 or 2018 that would indicate an impairment of the Organization's fixed assets.

**CARITAS OF AUSTIN**  
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Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**Government Grant Revenue** - The Organization considers all government grants and contracts to be exchange contracts and not contributions. The Organization recognizes revenue from these transactions as services are rendered and expenses are incurred. The Organization uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of accounts. There is no allowance for uncollectible grant receivables at September 30, 2019 and 2018, respectively.

**Contribution Revenue** - Contributions received including unconditional promises to give are recorded as support with donor restrictions, or support without donor restrictions in the period pledged depending on the existence and nature of any donor restrictions. Contributions received with donor-imposed restrictions that are satisfied in the same reporting period are reported as temporarily restricted revenue and released from restrictions. Conditional promises to give are recognized when the conditions on which they are dependent are substantially met. The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Allowances for uncollectible pledges as of September 30, 2019 and 2018 were \$872.

**Donated Services and Materials** - Donated services and materials are reflected in the statement of activities as in-kind revenue at their fair value on the date of receipt. Donated services are recognized by the Organization if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**Functional Allocation of Expenses** - The costs of providing the Organization's various programs and supporting services have been reported on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs benefited and supporting services based on estimates provided by management. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to the function. The significant expenses that are allocated on the basis of time and effort include personnel, office and administration expenses, depreciation and amortization, travel and meeting, insurance, and rent.

**Income Taxes** - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Unrelated business income, of which the Organization had no significant amounts for the years ended September 30, 2019 and 2018, is subject to federal income taxes. Accordingly, there is no provision or liability for federal income taxes in the accompanying financial statements.

The Organization regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related consolidated financial statement implications. Unrecognized tax benefits are reported using the two-step approach under which tax effects of a position are recognized only if it is "more-likely-than-not" to be sustained and the amount of the tax benefit recognized is equal to the largest tax benefit that is greater than fifty percent likely of being realized upon ultimate settlement of the tax position. Determining the appropriate level of unrecognized tax benefits requires the Organization to exercise judgment regarding the uncertain application of tax law. The amount of unrecognized tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations. Management has analyzed the tax positions taken by the Organization and has concluded that, as of September 30, 2019 and 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.



**CARITAS OF AUSTIN**  
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Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

The Organization is generally no longer subject to tax examinations relating to US federal tax returns for the prior three years.

**Recent Accounting Pronouncements** - In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (ASU) 2014-09, *Revenue Recognition (Topic 606)*. This ASU provides a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and the timing of revenue recognition. The new standard is effective for fiscal years and interim periods beginning after December 15, 2018 and allowing entities to adopt one year earlier if they so elect. The new standard allows for two alternative implementation methods: the use of either (1) full retrospective application to each prior reporting period presented or (2) modified retrospective application in which the cumulative effect of initially applying the revenue standard is recognized as an adjustment to the opening balance of retained earnings in the period of adoption. The Organization is currently evaluating the impact of the standard on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The update is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in this update are effective for fiscal years beginning after December 15, 2020. Early application of the amendments in this update is permitted. The Organization is currently evaluating the impact of FASB ASU 2016-02 but does not expect the adoption to have a material effect on the Organization’s financial position or results of activities.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Organization is currently evaluating the impact of the standard on its financial statements.

**Date of Management’s Review** - The Organization evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before the financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization’s financial statements are available for issue. For the financial statements, as of and for the year ending September 30, 2019, this date was May 21, 2020.

**NOTE 3. LIQUIDITY**

The Organization has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet normal operating expenses. Total net assets without donor restrictions as of September 30, 2019 were approximately \$2.6 million. Management believes this to be sufficient capital to fund the anticipated growth of the Organization in the subsequent year as well as any unanticipated contingencies or losses. Additionally, \$7.5 million of grants have been renewed which will assist in funding operations during the following twelve months.

**CARITAS OF AUSTIN**  
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Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

Although it is difficult to ascertain the continuing impact of COVID-19, management assumed that several scenarios could occur or combination thereof which are as follows: decrease in unrestricted dollars, decrease or increase in government dollars, and decrease in resources (manpower, supplies, etc.). As of December 31, 2019, Caritas paid off the \$150,000 balance they had outstanding with Frost Bank making \$750,000 available of undrawn credit if needed. Additionally, Caritas of Austin obtained an SBA 7a PPP Loan in the amount of \$758,500 on April 20, 2020.

**NOTE 4. PLEDGES RECEIVABLE**

Pledges receivable consisted of the following as of September 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Less than one year	\$ 488,043	\$ 67,466
One to five years	-	1,500
Total	488,043	68,966
Less: Allowance for doubtful accounts	(872)	(872)
Pledges receivable, net	<u>\$ 487,171</u>	<u>\$ 68,094</u>

**NOTE 5. PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of September 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Land	\$ 220,800	\$ 220,800
Buildings	2,050,671	2,041,187
Furniture and fixtures	235,364	234,166
Total	2,506,835	2,496,153
Less: accumulated depreciation	(1,371,581)	(1,236,793)
Property and equipment, net	<u>\$ 1,135,254</u>	<u>\$ 1,259,360</u>

Depreciation expense for the years ended September 30, 2019 and 2018 was \$134,788 and \$136,596, respectively.

**NOTE 6. ENDOWMENT FUNDS**

During the 2006 fiscal year, the Organization established the Caritas of Austin Endowment Fund (the "Fund"), a permanent endowment fund, at Austin Community Foundation (the "Foundation"). The assets are irrevocably held by the Foundation and are managed to accomplish Caritas's designated charitable purpose. The Fund's assets are not recorded in the statement of financial position of Caritas as the Foundation reserves the power to modify any condition or restriction on the distributions from the Fund. The balance in the Fund as of September 30, 2019 and 2018, was \$123,405 and \$121,387, respectively. There were no transfers from Caritas to the Fund during the years ended September 30, 2019 and 2018.

Annually the Foundation's Board of Governors makes a determination of the amount to grant to Caritas, based on the Foundation's spending policy. The Foundation's current spending policy is that five percent of the Fund's value as of December 31 each year shall be the available for distribution in the following year. Such distribution will be available to Caritas pursuant to a letter of instruction from Caritas, but subject to the Foundation's Board of Governors approval. If the amount available to grant is not distributed in a single year, any remaining balance available to grant will carry over to subsequent years. During the years ended September 30, 2019 and 2018, the Fund provided \$2,000, and \$5,200 each year, respectively, in grant revenue to Caritas.

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were restricted for the following purposes at September 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Supportive housing	\$ 18,132	\$ 3,189
Housing stability	-	4,124
Education	5,269	25,521
Infrastructure	-	15,395
Resettlement	9,462	33,860
Employment	53,741	31,789
Veterans	-	11,468
Capital expansion	508,780	62,048
Total	<u>\$ 595,384</u>	<u>\$ 187,394</u>

Net assets with donor restrictions released from restriction during the years ended December 31, 2019 and 2018, were as follows:

	<b>2019</b>	<b>2018</b>
Supportive housing	\$ 48,195	\$ 35,406
Housing stability	52,635	55,137
Education	105,252	89,639
Food services	40,360	12,500
Infrastructure	700	19,605
Resettlement	33,860	91,059
Employment	75,048	66,731
Veterans	34,257	81,082
Fund raising	69,477	-
Other program support	8,622	-
Capital expansion	211,689	270,759
Total	<u>\$ 680,095</u>	<u>\$ 721,918</u>

**Board Designated Net Assets** - As of September 30, 2019 and 2018, the Organization's Board of Directors designated a total of \$508,780 and \$62,048, respectively, of net assets without donor restriction, to acquire, expand, equip, maintain, repair, or enhance the physical property or building systems located at 611 Neches and for the purchase reserve of the Organization's North Austin facility.

**NOTE 8. DONATED SERVICES AND MATERIALS**

Donated services and materials that have been recognized and reported as in-kind revenue in the financial statements consisted of the following at September 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Donated materials	\$ 250,559	\$ 140,911
Donated services	97,095	145,005
Total	<u>\$ 347,654</u>	<u>\$ 285,916</u>



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

Donated services include office rent, bus passes, and instructional services provided to various programs. Additional donated services to various programs were received by Caritas but did not meet the criteria for recognition in the financial statements.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

**Government Grants** - The Organization receives government grants for specific purposes that are subject to review and audit by government agencies. Such audits could result in a request for reimbursement for expenditures disallowed under terms and conditions of the appropriate agency. In the opinion of the Organization's management, such disallowances, if any, would not be significant.

The Organization also has rental agreements with area apartment complexes for placement of those in need of housing assistance. As of September 30, 2019, the Organization is contingently liable for rental payments of approximately \$204,000, which will be covered through the use of future grant funds for housing assistance.

**Operating Leases** - The Organization has entered into several non-cancelable operating leases for office equipment and office space. Total rent expense was \$122,663 and \$106,868 during the years ended September 30, 2019 and 2018, respectively. Future minimum lease payments as of September 30, 2019, are as follows:

<u>Year ending</u>	
2020	\$ 64,196
2021	56,148
2022	58,394
2023	60,730
2024	63,159
Thereafter	<u>15,943</u>
	<u><u>\$ 318,570</u></u>

**NOTE 10. CONCENTRATIONS**

For the year ended September 30, 2019, Caritas received grant funding from two government entities which accounted for 81% of total grant revenue and 68% of grants receivable. For the year ended September 30, 2018, Caritas received grant funding from one government entity which accounted for 34% of total grant revenue and 48% of grants receivable.

**NOTE 11. RELATED PARTIES**

Certain members of the Board of Directors of the Organization contributed \$760,245 and \$128,370 to the Organization during the years ended September 30, 2019 and 2018, respectively.

**NOTE 12. RETIREMENT PLAN**

The Organization participates in a 403b plan through One Voice Central Texas that allows employee elective deferrals up to the maximum amount allowed by law. Participants may make a separate election to defer up to 90% of any bonus compensation. The Organization makes matching contributions equal to 50% of the participant's elective deferrals up to 6% of a participant's compensation. The Organization made matching contributions of \$27,341 and \$35,814 for the years ended September 30, 2019 and 2018, respectively.

**CARITAS OF AUSTIN**  
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Notes to the Financial Statements  
September 30, 2019 and 2018  
(continued)

**NOTE 13. LINE OF CREDIT**

At September 30, 2019 and 2018, the Organization had available a line of credit with a financial institution. Maximum borrowings available under this line of credit were \$750,000 as of September 30, 2019 and 2018. Interest on the line is based on the prime rate published in the Wall Street Journal in the "Money Rates" section plus 0.750% . The interest rate in effect as of September 30, 2019 was 5.5%. The line matures on September 2, 2020. The balances on the line of credit were \$150,000 and \$0 as of September 30, 2019 and 2018, respectively.

**NOTE 14. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. As a result of the declared outbreak, an economic downturn has had a significant negative impact on local and global economies. While the Organization expects this matter to negatively impact its results of operations, cash flows and financial position, the related financial impact cannot be reasonably estimated at this time.



## **REPORT OF INDEPENDENT AUDITOR ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
Caritas of Austin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Caritas of Austin (the “Organization”), which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**PMB HELIN DONOVAN, LLP***PMB Helin Donovan, LLP*

May 21, 2020  
Austin, Texas





## **REPORT OF INDEPENDENT AUDITOR ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors of  
Caritas of Austin

### **Report on Compliance for Each Major Federal Program**

We have audited Caritas of Austin's (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2019. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

### **Report on Internal Control over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.



*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**PMB HELIN DONOVAN, LLP**

*PMB Helin Donovan, LLP*

May 21, 2020  
Austin, Texas

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2019

<u>Grantor/Pass-through Agency</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Subrecipient</u>	<u>Federal Expenditures</u>
Veteran's Administrations				
Supportive Services for Veteran Families	64.033	12-TX-072	\$ -	\$ 544,835
<b>Total Veteran's Administration</b>			-	544,835
U.S. Department of Homeland Security:				
Direct programs:				
Emergency Food and Shelter National Board	97.024	Phase 36	-	9,675
<b>Total U.S. Department of Homeland Security</b>			-	9,675
U.S. Department of Health and Human Services:				
Pass-through programs from:				
Central Texas Office for Refugees Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	CTOR2019COARSS	-	217,143
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566	CTOR2019COACMA	-	84,111
<b>Total U.S. Department of Health and Human Services</b>			-	301,254
U.S. Department of Housing and Urban Development:				
Direct programs:				
Continuum of Care Program	14.267	TX0030L6J031709	-	268,995
Continuum of Care Program	14.267	TX0030L6J031810	-	114,793
Continuum of Care Program	14.267	TX0031L6J031708	-	194,809
Continuum of Care Program	14.267	TX0031L6J031607	-	14,842
Continuum of Care Program	14.267	TX0040L6J031609	-	9,512
Continuum of Care Program	14.267	TX0040L6J031710	-	232,628
Continuum of Care Program	14.267	TX0317L6J031706	-	719,893
			-	1,555,472
Pass-through programs from:				
LifeWorks				
Youth Homelessness Demonstration Program	14.276	TX04416J031600	-	333,617
<b>Total U.S. Department of Housing and Urban Development</b>			-	1,889,089
<b>Total Expenditures of Federal Awards</b>			\$ -	\$ 2,744,853

See accompanying notes to the Schedule of Federal Awards

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**

Notes to Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2019

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Schedule of Expenditures of Federal Awards (the "Schedule") includes the activity of all federal grant programs administered by Caritas of Austin ("Caritas"). Caritas's organization is defined in Note 1 of Caritas's basic financial statements.

**Basis of Presentation** - The Schedule presents total federal awards expended for each individual program in accordance with the Uniform Guidance.

**Basis of Accounting** - The expenditures for the federal financial assistance programs are presented on the accrual basis of accounting, which is defined in Note 2 of Caritas's basic financial statements.

**NOTE 2. RELATIONSHIP TO FINANCIAL REPORT**

The amounts reported in the financial reports agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1 of Caritas of Austin.

Total federal awards per schedule of federal expenditures	\$ 2,744,853
Plus: non-federal funding sources	<u>4,410,128</u>
Total revenue per statement of activities	<u><u>\$ 7,154,981</u></u>

**NOTE 3. INDIRECT COST RATE**

Caritas of Austin does not have a negotiated indirect cost rate and; therefore, was eligible to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance, section 414.

**NOTE 4. SUBSEQUENT EVENTS**

The Organizations' management has evaluated and disclosed subsequent events through May 21, 2020, the date the financial statements were available to be issued.



**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019

**Section I - Summary of Auditor's Results**

**A Financial Statements**

Type of auditor's report issued:	<b>Unmodified opinion</b>
Internal control over financial reporting:	
• Material weakness(es) identified?	<b>No</b>
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<b>None reported</b>
Noncompliance material to financial statements noted?	<b>No</b>

**B. Federal Awards**

Internal control over major programs:	
• Material weakness(es) identified?	<b>No</b>
• Significant deficiency(ies) identified?	<b>None reported</b>
Type of auditors' report issued on compliance for major programs:	<b>Unmodified</b>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<b>No</b>
Identification of major federal programs:	
<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.267	U.S. Department of Urban Housing - Continuum of Care Program

Dollar threshold used to distinguish between type A and type B programs:	<b>\$750,000</b>
Auditee qualified as low-risk auditee?	<b>Yes</b>

**Section II - Financial Statement Findings**

None reported

**Section III – Federal Award Findings**

None reported

**CARITAS OF AUSTIN**  
**(A NONPROFIT CORPORATION)**  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019

**Section IV – Summary Schedule of Prior Audit Findings**

None reported

**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT E**

**Espero Austin at Rutland**

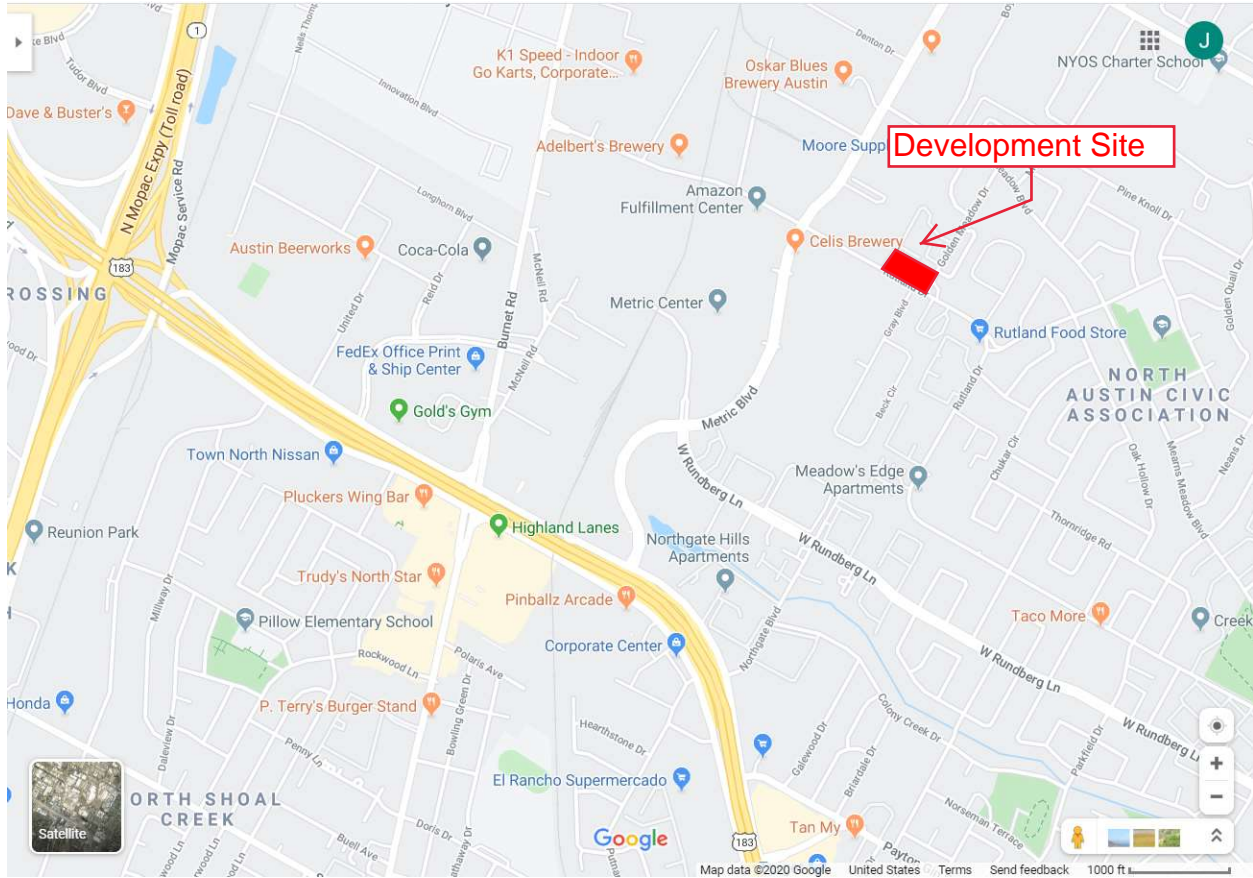
**Legal Description**

Lots 15, 16 and 17, Block A, Brook Meadow, in addition to the city of Austin, Travis County, Texas, according to the map or plat thereof recorded in Volume 66, Page 44, Plat Records of Travis County Texas.



# STREET MAP

## ESPERO AUSTIN AT RUTLAND - AUSTIN, TEXAS








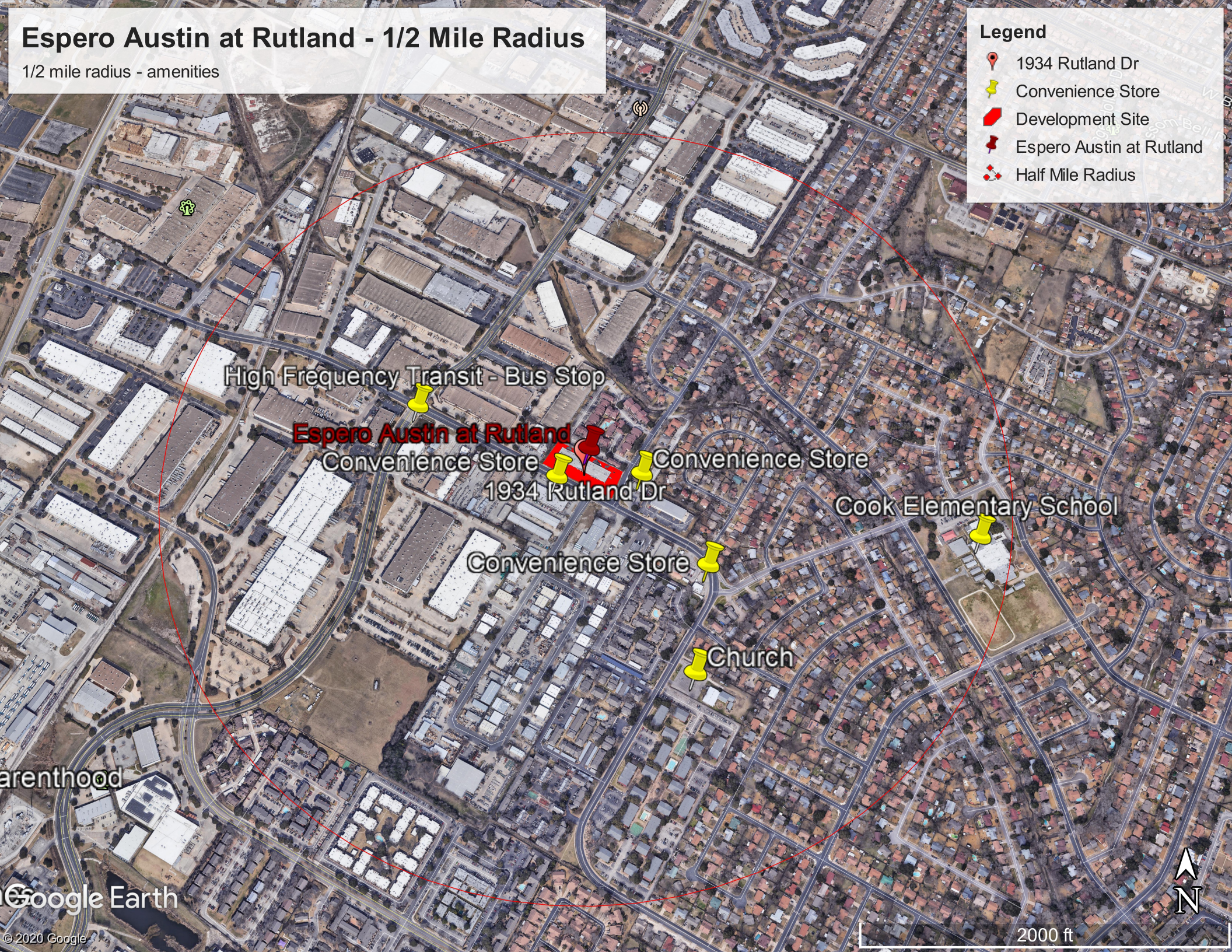


# Espero Austin at Rutland - 1/2 Mile Radius

1/2 mile radius - amenities

## Legend

-  1934 Rutland Dr
-  Convenience Store
-  Development Site
-  Espero Austin at Rutland
-  Half Mile Radius



arenthood

Google Earth

© 2020 Google

2000 ft





## PURCHASE AND SALE AGREEMENT

This **Purchase and Sale Agreement** (this “Agreement”) is made among **Behzad Bahrami**, an individual (“Seller”), and **Caritas of Austin**, a Texas nonprofit corporation, or its assigns (“Purchaser”) (Purchaser and Seller each referred to as a “Party” and collectively referred to as the “Parties”). As used in this Agreement, the “Effective Date” shall mean and refer to the date that the Title Company (defined below) acknowledges receipt of a fully executed counterpart of this Agreement.

### Recitals

1. Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, certain real property located at **1934 Rutland Dr, Austin, Travis County, Texas 78758** (the “Land”), containing approximately 93,993 square feet of land and being more particularly described as:

Lots 15, 16 and 17, Block A, Brook Meadow, in addition to the city of Austin, Travis County, Texas, according to the map or plat thereof recorded in Volume 66, Page 44, Plat Records of Travis County Texas.

2. The Parties are executing this Agreement to set forth their mutual agreements and understandings with respect to the purchase and sale of the Land and the Parties’ respective rights and obligations in connection therewith.

### Agreements

**THEREFORE**, for and in consideration of the mutual covenants and representations herein contained, Seller and Purchaser agree as follows:

#### 1. **Purchase and Sale.**

1.1. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, for the consideration described below, the Land and all buildings, structures and other improvements situated thereon (collectively, the “Improvements”), together with all rights, titles and interests, if any, of Seller in and to (i) any land lying in or under the bed of any street, alley, road or right-of-way, open or proposed, abutting or adjacent to the Land, (ii) all easements appurtenant to the Land, (iii) all strips or gores, if any, between the Land and adjoining properties, and (iv) all other rights, privileges and appurtenances in any way related or pertaining to or for the benefit of the Land, including, without limitation, (a) all present and future rights to wastewater capacity, drainage capacity, water capacity or other utility facilities to the extent related to the Land (including, without limitation, the existing wholesale utility supply system currently providing

utilities to the Land), (b) all engineering plans and studies, topographical surveys, landscape plans, environmental studies, and all other plans, specifications and studies, to the extent related to the Land, and (c) all permits, approvals and licenses specifically associated with the Land and the development and use thereof (the Land, the Improvements and all rights and interests described in the forgoing clauses (i) – (iv), inclusive, are collectively referred to as the “Property”).

**2. Purchase Price.**

- 2.1. **Purchase Price.** The purchase price (the “Purchase Price”) for the Property shall be Five Million Six Hundred Thousand Dollars (\$5,600,000.00) and shall be paid by Purchaser in cash at the Closing and disbursed by the Title Company in accordance with the terms and provisions of this Agreement.

**3. Deposit; Independent Consideration.**

- 3.1. **Earnest Money.** Within three (3) Business Days after the Effective Date, Purchaser shall deliver to Austin Title Company (the “Escrow Agent” or the “Title Company”), 1717 W. 6<sup>th</sup> Street, Ste 102, Austin, Texas 78703, Attn: Troy Conover, Email: troy.conover@austintitle.com, Phone: 512-329-0777, (the “Title Company”), the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) (the “Earnest Money”) to be invested by the Title Company in an interest bearing account as Purchaser shall direct, so long as it is deposited in an account of a federally insured bank or savings and loan association. All interest accruing on the Earnest Money shall accrue for the benefit of Purchaser and shall constitute part of the Earnest Money. If the sale of the Property is consummated pursuant to the terms of this Agreement, the Earnest Money shall be paid to Seller and such amount credited against the payment of the Purchase Price; and, if the sale of the Property is not consummated pursuant to the terms of this Agreement, the Earnest Money shall be disbursed in accordance with the terms of this Agreement.
- 3.2. **Earnest Money – Seller Accrual.** Notwithstanding anything to the contrary set forth in this Agreement, at the beginning of every thirty-day period that elapses during the Due Diligence Period (defined below), \$2,000 of the Earnest Money shall become non-refundable to Purchaser (“Seller’s Earnest Money Accrual”), except in the event of a Seller default hereunder. For example, if Purchaser exercises its option to terminate this Agreement after 45 days, then \$46,000 of the Earnest Money would be returned to Purchaser and \$4,000 of the Earnest Money would be paid to Seller.
- 3.3. **Independent Consideration.** Simultaneously with executing this Agreement, Purchaser has delivered to Seller the amount of Fifty and No/100 Dollars (\$50.00) (the “Independent Consideration”), which amount shall constitute independent consideration for Seller’s execution and delivery of this Agreement and Purchas-



er's option to terminate this Agreement. The Independent Consideration shall not be credited toward or otherwise applied to the Purchase Price and shall be retained by Seller in all events, even if this Agreement should be terminated for any reason.

4. **Property Review; Due Diligence.**

4.1. **Condition of Title and Due Diligence Documents.** Seller agrees that it shall provide to Purchaser, at Seller's expense, the following items within the time frames specified below:

- (a) **Title Commitment.** Within fifteen (15) business days after the Effective Date, Seller shall cause the Title Company to provide Purchaser a Commitment for Title Insurance covering the Property issued by the Title Company, together with legible copies of all restrictive covenants, easements and other documents and instruments listed therein (collectively, the "Preliminary Title Commitment").
- (b) **Survey.** Within fifteen (15) business days after the Effective Date, Purchaser will order a new survey at Purchaser's expense and deliver a copy to Seller.

4.2. **Title Approval.** Purchaser shall give Seller written notice, on or before the date that is fifteen (15) days after Purchaser's receipt of the Title Commitment and the Survey (the "Title Approval Period"), of any objections Purchaser may have to the condition of title as set forth in the Title Commitment or the Survey ("Title Objections"). Except for Mandatory Cure Items (defined below), Seller shall not be obligated to remove or remedy any Title Objections, or incur any out-of-pocket costs or instigate any litigation or other legal proceeding to remedy or remove any Title Objections. Further, unless Seller elects in writing to remedy or cause the removal of any Title Objections within the Cure Period, then it shall be deemed that Seller has declined to remedy or remove the Title Objections, and Purchaser shall elect to either (i) terminate this Agreement by giving written notice to Seller to such effect within five (5) Business Days after the Cure Period, whereupon the Earnest Money shall be returned to Purchaser and thereafter the Parties shall be released and relieved of further obligations, liabilities or claims hereunder (except as otherwise expressly provided herein); or (ii) waive in writing such Title Objections and close on the purchase of the Property as contemplated hereunder. Purchaser's election to waive the Title Objections does not preclude Purchaser from seeking to cure said Title Objections at Purchaser's expense. Any title encumbrances or exceptions which are set forth in the Title Commitment or the Survey and to which Purchaser does not object on or prior to the last day of the Title Approval Period (or which Seller has not agreed in writing within the Cure Period to cure or remedy) shall be deemed to be permitted exceptions (the "Permitted Exceptions") to the status of Seller's title to the Property; provided, however, that none of the Mandatory Cure Items shall be Permitted Exceptions under any circumstances,

unless otherwise expressly agreed to in writing by Purchaser. Notwithstanding anything to the contrary herein, Seller shall in all events be required to remove or cure, or satisfy to the reasonable satisfaction of Purchaser, (A) any mortgage liens or mechanics and materialman's liens not caused by the acts or omissions of Purchaser or its agents, (B) any consensual liens or encumbrances agreed to by Seller without Purchaser's consent on or after the Effective Date, (C) any real estate taxes or special assessments due and payable prior to Closing and (D) any items listed on Schedule C of the Title Commitment that are Seller's responsibility to address that are not Permitted Exceptions and do not relate to payment of the Purchase Price, delivery of documents related to Purchaser's entity structure or other matters that are the sole responsibility of Purchaser (collectively, the "Mandatory Cure Items").

**4.3. Due Diligence.**

**(a) Due Diligence Period.**

- (1) Purchaser and Purchaser's agents and representatives shall have a period of two hundred ten (210) days following the Effective Date (the "Due Diligence Period") in which to enter onto and inspect the Property and to perform any feasibility, environmental, engineering and such other due diligence investigations, studies and assessments (invasive or otherwise) as Purchaser may require within its sole discretion ("Due Diligence") to satisfy itself with any and all aspects of the value and usability of the Land for Purchaser's intended improvement thereof.
- (2) During the Due Diligence Period, Purchaser shall be entitled to file applications with the City of Austin (the "City"), to rezone and/or plat or replat the Property in a manner acceptable to Purchaser for its planned development thereof, and to obtain all development commitments, entitlements, permits and approvals as may be deemed necessary by Purchaser in connection with its contemplated use and development of the Property (all of the foregoing commitments, entitlements, permits, and approvals set forth hereinabove being collectively referred to herein as the "Approvals"), and Seller agrees to cooperate with Purchaser and execute such documents as may be reasonably required in connection with the Approvals. Seller understands and agrees that prior to Closing, the City may require that the Approvals be finally approved by the City, and not be contingent on Purchaser's acquisition of the Property. Notwithstanding Seller's consent to filing of the Approvals, it is understood and agreed that no Approval may impose any cost or liability on Seller or require performance by Seller of any matter, except to the extent Seller may provide its written consent to the same, which consent shall not be unreasonably withheld.

- (3) Notwithstanding any provision in this Agreement to the contrary, Purchaser's right of entry onto the Property for the purpose of performing Due Diligence shall continue to and through the Closing Date (such right to remain subject to the terms of this Section 4.3) and Seller agrees to reasonably cooperate with Purchaser to facilitate Purchaser's inspection of the Property. Without limitation on the foregoing, Seller agrees to permit Purchaser's consultants and inspectors to enter upon the Property from time to time upon reasonable notice to Seller.
- (b) **Extension of Due Diligence Period.** Purchaser, by written notice delivered to Seller prior to the expiration of the initial Due Diligence Period, may elect to extend the Due Diligence Period by an additional one hundred eighty (180) days (the "DDP Extension") in order to obtain any governmental entitlements necessary for Purchaser's intended development and use of the Property. Within five (5) business days of Purchaser's exercise of this option to extend the Due Diligence Period, Purchaser will escrow an additional fifty thousand dollars (\$50,000.00) with the Title Company that will be added to and become a part of the Earnest Money. In addition, starting on the effective date of the DDP Extension, and continuing every thirty-days thereafter, \$3,000.00 of the Earnest Money shall become non-refundable to Purchaser ("Seller's Earnest Money Accrual"), except in the event of a Seller default hereunder.
- (c) **Purchaser's Duties Regarding Inspection.** All visits, inspections, investigations and examinations of the Property by Purchaser shall be at the sole risk of Purchaser, and Purchaser shall indemnify and hold Seller harmless from and against any claims, demands, injuries, damages, costs and expenses (including reasonable attorney's fee) incurred by Seller (collectively, "Claims") as a direct result of any such visits or inspections by Purchaser, other than those arising out of the gross negligence or willful misconduct of Seller or for any pre-existing condition. If this Agreement is terminated for any reason, Purchaser shall repair any damage caused by any of those visits, inspections, investigations and examinations so as to restore the Property to substantially its same condition prior to such damage. The provisions of this paragraph shall survive any termination of this Agreement.
- (d) **Due Diligence Materials.** Within fifteen (15) business days after the Effective Date of this Contract, Seller shall deliver to Purchaser true, correct, and complete copies of those documents listed below to the extent said documents are locatable and within Seller's possession (the "Initial Review Materials"). In addition, Seller will from time to time provide Purchaser, promptly after written request, with copies of any other documents relating to the Property which are in Seller's possession (the "Additional Review Materials"). The Initial Review materials are:
- (1) Copies of ad valorem tax bills for the Property, including any personal property tax bills, and any special assessments for 2017, 2018, and 2019.

- (2) ~~The Survey and any other surveys, topographical maps and/or engineering studies.~~
  - (3) Any information regarding condemnation notices, proceedings, or awards.
  - (4) Any geotechnical, endangered species, and/or environmental inspection reports.
  - (5) Site Plan studies, in CAD format, if available.
  - (6) Omitted.
  - (7) Any leases and other long term obligations related to the Property.
  - (8) All governmental compliance/noncompliance studies and notices, including ADA, TCLR, CERCLA, Zoning or other similar matters.
  - (9) Prior flood information and Flood Data search.
  - (10) Omitted.
- (e) **Due Diligence Investigation.** Seller acknowledges that, during the Due Diligence Period, Purchaser may review, investigate, assess and study the following items and matters, in addition to other items and matters desired by Purchaser, to ascertain whether they each meet with Purchaser's approval or satisfaction, in its sole and absolute discretion:
- (1) The Land, the condition of title thereto, the status of zoning thereof and the physical condition of the Land, including, without limitation, all environmental, geotechnical and drainage conditions;
  - (2) The sufficiency of infrastructure to and around the Land, including utilities (water, sewer, electricity and gas), access, streets, curbs and gutters;
  - (3) The physical condition of the Improvements;
  - (4) The ability to timely obtain any permits, approvals and entitlements for the development and construction of additional improvements to the Land intended by Purchaser; and
  - (5) The economic feasibility of Purchaser's intended improvements to the Land.
- (f) **Purchaser's Right to Terminate.** Notwithstanding any provision in this Agreement to the contrary, all of Purchaser's obligations under this Agreement (other than those relating to the payment of the Independent Consideration) are condi-



tioned and contingent upon Purchaser providing to Seller, on or before the final day of the Due Diligence Period, written notice that Purchaser has elected to proceed forward with the transaction evidenced by this Agreement (the "Closing Notice"). If for any reason (or no reason) Purchaser does not deliver the Closing Notice to Seller on or before the final day of the Due Diligence Period, then this Agreement shall automatically and immediately terminate upon the expiration of the Due Diligence Period. In the event of such termination, Purchaser shall (i) return all items provided to Purchaser by Seller and deliver to Seller copies of any third party prepared inspections, reports, tests and analyses obtained by Purchaser with respect to the physical condition of the Property as part of its Due Diligence (Purchaser will not be required to deliver to Seller any internal studies or memoranda prepared by Purchaser's own employees, any financial analyses, or any documents that do not relate to the physical condition of the Land or the Improvements) and (ii) repair any damage caused by Purchaser's Due Diligence and restore the Property as required under Section 4.3(c) above, and in the case of a termination within the initial Due Diligence Period or the Extended Due Diligence Period, Seller shall receive Seller's Earnest Money Accrual and Purchaser to receive the return of the balance of the Earnest Money, after which the Parties shall have no other or further obligation or liability to each other hereunder, except for any obligations expressly surviving termination of this Agreement. If Purchaser should provide the Closing Notice prior to the expiration of the Due Diligence Period, this Agreement shall continue to be binding and in full force and effect against Seller and Purchaser in accordance with the terms and provisions hereof.

**5. Seller's Representations and Covenants.**

**5.1. Representations of Seller.** Seller hereby covenants, represents and warrants to Purchaser that:

- (1) Seller has and will convey good and indefeasible fee simple title to the Land, free and clear of any liens or other encumbrances except for those reflected in the Title Commitment or otherwise contemplated under this Agreement, and has full right, power and authority to enter into this Agreement and to consummate the sale contemplated hereby without the joinder of any other person, and the party signing on behalf of Seller has been duly authorized to sign on behalf of Seller.
- (2) There are no legal actions or suits pending or, to Seller's knowledge, threatened against or with respect to Seller or the Property.
- (3) To the best of Seller's knowledge, no portion of the Land is affected by any special assessments, whether or not constituting a lien thereon.

- (4) Other than existing tenants under ~~current~~ tenant leases and/or tenants at sufferance under expired leases, there are no parties in possession of any portion of the Land as lessees, licensees or trespassers.
- (5) Omitted.
- (6) There is no pending or threatened condemnation or similar proceeding affecting the Land or any portion thereof, nor to Seller's actual knowledge is any such action presently contemplated.
- (7) Omitted.
- (8) No person or entity other than Purchaser has any right to acquire from Seller any interest in any portion of the Property, and there are no outstanding contracts to purchase, options to purchase, rights of first refusal, rights of first offer, letters of intent or other similar agreements relating to the Property or any interest therein.
- (9) Neither the execution of this Agreement, nor the consummation of the transactions contemplated under this Agreement, nor the performance of this Agreement, will: (i) result in a breach of, default under, acceleration of, or imposition of any lien or encumbrance against the Property under any agreement to which Seller is a party or by which Seller or the Property is bound; or (ii) violate any restriction, court order, judgment, law, regulation, charter, bylaw, instrument or agreement to which Seller or the Property (or any portion thereof) is subject.
- (10) To the best of Seller's actual knowledge, there are no unpaid leasing or sales commissions with respect to any portion of the Property (other than those expressly described in this Agreement) and there are no unpaid bills with respect to the Property other than current bills, the payment of which are not past due.
- (11) To the best of Seller's actual knowledge, there are no maintenance or service contracts or other agreements of any kind or nature affecting any portion of the Property which will survive the Closing or which will be binding upon the Purchaser or the Property after the Closing Date.
- (12) Omitted.
- (13) To the best of Seller's knowledge, Seller has made no commitments to any governmental authority, utility company, school board, church or other religious body, or other organization, group or individual, which would impose any obligation upon the Purchaser or its successors or assigns to make any contribution or dedication of money or land or to construct, in-

stall or maintain any improvements of a public or private nature on or off any of the Property; and Seller has no knowledge or information that any governmental authority has imposed any requirement that any owner of the Property pay, directly or indirectly, any special fees or contributions or incur any expense or obligation in connection with any development or operation of the Property. The provisions of this subparagraph do not apply to local real estate taxes.

- (14) Omitted.
- (15) Seller is currently in compliance with, and shall at all times during the term of this Agreement (including any extension thereof) remain in compliance with, the regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

All of the representations and warranties of Seller under this Agreement are made based upon Seller's actual knowledge and without duty of inquiry. These representations and warranties of Seller are effective as of the Effective Date of this Agreement and also effective as of the Closing Date. The obligation of Purchaser to close the purchase of the Property is contingent upon the continued truth and accuracy of Seller's representations and warranties hereunder as of the Closing Date. If any of the representations or warranties set forth in this Agreement are untrue in any material respect, then Purchaser shall be entitled to terminate this Agreement, in which event the Earnest Money shall be returned to Purchaser immediately. Notwithstanding anything to the contrary in this Agreement, the foregoing representations and warranties of Seller shall survive the Closing for a period of one (1) year after the Closing Date.

5.2. **Covenants of Seller.** From the Effective Date until the Closing or termination of this Agreement, Seller covenants and agrees that it shall:

- (a) Omitted.
- (b) Notify Purchaser of any material change in respect of the Property, its condition, or any information furnished to Purchaser by Seller in respect of the Property, including, without limitation, any change that would affect any representation, warranty or covenant of Seller set forth in this Agreement
- (c) Without the prior written consent of Purchaser, not grant, enter into or modify any written or oral lien, encumbrance, or easement with respect to the Property which

would survive the Closing and affect Purchaser or title to the Property. Seller may continue to operate the Property in its current fashion; provided, however, that no New leases, license, or other right of occupancy by any third party shall encumber the Property beyond March 1, 2021.

- (d) Advise Purchaser of any litigation, arbitration or administrative hearing before any governmental agency of which Seller becomes aware concerning or affecting the Property or its use which is instituted or threatened after the Effective Date.
- (e) Not sell the Property; or grant or allow any lien to attach to the Property that will not be removed at or prior to the Closing Date; or, except as contemplated hereunder with regard to the intended development of the Land or the granting of utility easements as may be required in connection with obtaining the Permits, grant, create or voluntarily allow the creation of, or amend, modify or change, any easement, right-of-way, restriction, or covenant affecting the Property or any part thereof, without Purchaser's prior written consent.
- (f) Not, without Purchaser's prior written consent, enact or permit any additional or further restrictions on or as to the Land.
- (g) Maintain the Property in its presently existing condition, ordinary wear and tear excepted.
- (h) Not, without the prior written consent of Purchaser, alter in any way the status of any of the utility service agreements, street and drainage rights or any other rights, benefits or appurtenances of any kind which benefit or affect the Property in any way.
- (i) Omitted.
- (j) Satisfy any and all claims for mechanic's or materialmen's liens or other claims or charges against the Property or the Project or any part thereof arising on or prior to the Closing Date.
- (k) Omitted.
- (l) Cure or correct all violations of any legal requirements with respect to the Property which were caused by Seller or its employees, agents or contractors after the Effective Date.

**6. Purchaser's Representations and Covenants.**

- 6.1. Representations and Covenants.** Purchaser hereby covenants, represents and warrants to Seller that:



- (a) Purchaser is a nonprofit corporation duly organized and validly existing under the laws of the State of Texas and has full power and authority to execute and deliver this Agreement and perform all of its obligations under this Agreement and all other agreements to be executed by the Parties contemplated hereunder. All consents, authorizations and approvals which may be required in order for Purchaser to enter into this Agreement or consummate the transactions contemplated hereby, including, without limitation, any necessary board of directors approvals, have been obtained.
- (b) The person executing this Agreement on behalf of Purchaser has been duly authorized and empowered to bind Purchaser to this Agreement.
- (c) This Agreement, when executed and delivered by Purchaser, shall constitute the valid and binding agreement of Purchaser and be enforceable against Purchaser in accordance with its terms.
- (d) Neither the execution and delivery of this Agreement, nor the incurrence of the obligations herein set forth, nor the consummation of the transactions provided for herein, nor compliance with the terms of this Agreement (or any of the other agreements to be executed by the Parties contemplated hereunder), (a) conflict with or result in a breach of any of the terms, conditions, or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness, or any indenture, mortgage, deed of trust, loan agreement, lease, or other material agreement or instrument to which Purchaser is a party, or (b) violate any restriction, court order, judgment, law, regulation, charter, bylaw, instrument or agreement to which Purchaser is subject.
- (e) Purchaser is currently in compliance with, and shall at all times during the term of this Agreement (including any extension thereof) remain in compliance with, the regulations of the OFAC (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) and any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action relating thereto.

All of the representations and warranties of Purchaser under this Agreement are made effective as of the Effective Date of this Agreement and also effective as of the Closing Date. The obligation of Seller to close the sale of the Property is contingent upon the continued truth and accuracy of Purchaser's representations and warranties hereunder as of the Closing Date. If any of the representations or warranties set forth in this Agreement are untrue or are misleading in any material respect, then Seller shall be entitled to terminate this Agreement, in which event the Earnest Money shall be delivered to Seller immediately. Notwithstanding anything to the contrary in this Agreement, the foregoing rep-

representations and warranties of Purchaser shall survive the Closing for a period of one (1) year after the Closing Date.

Language required  
by 10 TAC 13.5(e)



7. **Conditions to Closing.**

7.1. **Purchaser's Conditions to Closing.** The obligation of Purchaser to purchase the Property from Seller, and to perform the obligations required to be performed by Purchaser at the Closing, are subject to and contingent on the satisfaction of each of the following conditions, unless waived in writing by Purchaser ("Purchaser's Closing Contingencies"):

- (a) **Federal Environmental Review.** Either (A) Purchaser has completed a federally required environmental review of the property and its request for release of federal funds has been approved and, subject to the other contingencies in this Agreement: (1) the purchase may proceed or (2) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the Property; or (B) it has been determined that the purchase of the Property is exempt from federal environmental review and a request for release of funds is not required.
- (b) **Seller's Performance.** Seller has performed, observed and complied with all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Seller prior to or as of the Closing.
- (c) **Other Contingencies.** All other requirements and contingencies under this Agreement shall have been satisfied.
- (d) **Seller's Representations.** The representations and warranties of Seller set forth in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date. Seller, by having closed the sale of the Property, shall be deemed conclusively to have certified at Closing that all representations and warranties stated herein were true and correct on and as of the Closing Date.
- (e) Omitted.
- (f) Omitted.
- (g) **Closing Documents.** Seller shall have tendered at Closing executed counterparts of each of the documents required to be provided by Seller under Section 8.2 below.
- (h) **Title.** The Title Company shall be prepared to issue the Owner's Policy insuring Purchaser's fee simple title to the Land, showing no exceptions other than the Permitted Exceptions.

- 7.2. **Seller's Conditions to Closing.** The obligation of Seller to sell the Property to Purchaser, and to perform the obligations required to be performed by Seller at the Closing, are subject to and contingent on the satisfaction of each of the following conditions, unless waived in writing by Seller ("Seller's Closing Contingencies"):
- (a) **Purchase Price.** Purchaser shall have tendered the Purchase Price, net of the Earnest Money (and if applicable, the Deferred Portion), into escrow with the Title Company.
  - (b) **Closing Documents.** Purchaser shall have tendered at Closing executed counterparts of each of the documents required to be provided by Purchaser under Section 8.3 below.
  - (c) **Purchaser's Performance.** Purchaser has performed, observed and complied with all of the covenants, agreements and conditions required by this Agreement to be performed, observed and complied with by Purchaser prior to or as of the Closing.
  - (d) **Other Contingencies.** All other requirements and contingencies under this Agreement shall have been satisfied.
  - (e) **Purchaser's Representations.** The representations and warranties of Purchaser set forth in this Agreement shall be true and correct on and as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date. Purchaser, by having closed the purchase of the Property, shall be deemed conclusively to have certified at Closing that all representations and warranties stated herein were true and correct on and as of the Closing Date.
- 7.3. **Failure of Closing Contingencies.**
- (a) **Failure of Purchaser's Closing Contingencies.** If the Purchaser's Closing Contingencies are not satisfied on or before the Closing Date, Purchaser shall provide Seller with written notice of the Purchaser's Closing Contingencies which have not been satisfied, and thereafter, if Purchaser's Closing Contingencies have not been satisfied within ten (10) days after the Closing Date, then Purchaser shall have the right and option (in addition to any other remedies available to Purchaser under this Agreement): (i) to waive the unsatisfied Purchaser's Closing Contingencies by delivering a written waiver notice to Seller and proceed to Closing; or (ii) to terminate this Agreement by delivering a written notice of termination to Seller, in which event the Earnest Money (plus any interest accrued thereon) shall be promptly returned to Purchaser.

- (b) **Failure of Seller's Closing Contingencies.** If the Seller's Closing Contingencies are not satisfied on or before the Closing Date, Seller shall provide Purchaser with written notice of the Seller's Closing Contingencies which have not been satisfied, and thereafter, if Seller's Closing Contingencies have not been satisfied within ten (10) days after the Closing Date, then Seller shall have the right and option (in addition to any other remedies available to Seller under this Agreement): (i) to waive the unsatisfied Seller's Closing Contingencies by delivering a written waiver notice to Purchaser and proceed to Closing; or (ii) to terminate this Agreement by delivering a written notice of termination to Purchaser, in which event the Earnest Money (plus any interest accrued thereon) shall be disbursed to Seller (Purchaser being deemed to waive any and all rights to the Earnest Money).

8. **Closing.**

- 8.1. **Closing.** Provided that Purchaser has not terminated this Agreement under any right afforded Purchaser under the terms of this Agreement, and that all of the contingencies of this Agreement have been fulfilled (or waived in writing by the Party for whom the contingency is to benefit), the closing of the transactions hereby contemplated ("Closing") shall be held at the Title Company on the earlier of (i) fifteen (15) days after the expiration of the Due Diligence Period or (ii) such earlier date as is elected by Purchaser by giving not less than five (5) Business Days' prior written notice to Seller. The date that the Closing occurs is referred to herein as the "Closing Date." The Closing shall take place through escrow on the Closing Date in the offices of the Title Company, or such other office as is reasonably acceptable to the Parties. Neither of the Parties shall be required to attend the Closing in person.

- 8.2. **Seller's Obligations at Closing.** To effect the Closing, Seller shall deliver to Purchaser the following:

- (a) **Deed.** A Special Warranty Deed With Vendor's Lien (the "Deed") executed by Seller conveying the Property to Purchaser subject to no exceptions other than the Permitted Exceptions.
- (b) **Assignments.** An Assignment of Leases assigning to Purchaser all of Seller's interest in all tenant leases encumbering the Property and a General Assignment assigning to Purchaser all of Seller's interest in any and all land use and development permits, approvals, consents, licenses and related items.
- (c) **Title Policy.** As soon as practical after Closing, an Owner Policy of Title Insurance on the Texas standard form naming Purchaser as insured, in the amount of the Purchase Price, insuring that Purchaser owns good and indefeasible fee simple title to the Property, subject only to the Permitted Exceptions; with no exception



for “rights of parties in possession” and with no exception for “visible or apparent easements” or for “public or private roads” or the like, except if reference is made in the Survey to a specified unrecorded exception shown on the Survey; and including, at Purchaser’s option and expense, the deletion of the exception for discrepancies in area and boundaries to the extent allowed by applicable regulation (the so-called “survey deletion”) and a T-19.1 Endorsement (the “Owner’s Policy”).

- (d) **Evidence of Authority.** Evidence of authority reasonably acceptable to Purchaser and the Title Company, reflecting the authority of the persons signing the Deed and other documents to be executed by Seller at Closing and the power and authority of Seller to convey the Property to Purchaser in accordance with this Agreement.
  - (e) **Foreign Person.** An affidavit of Seller certifying that Seller is not a “foreign person,” as defined in the federal Foreign Investment in Real Property Tax Act of 1980, and the 1984 Tax Reform Act, as amended.
  - (f) **Tax Certificates.** Certificates showing that all ad valorem taxes, stand by fees, assessments, maintenance fees and similar charges assessed against the Property which are payable, have been paid in full.
  - (g) **Assignments.** Executed counterparts of the Assignment of Leases and General Assignment.
  - (h) **Other Documents.** All other documents and instruments required to be executed or tendered by Seller under the terms of this Agreement, or that either Seller’s or Purchaser’s attorney or the Title Company may reasonably require to consummate properly the transaction contemplated by this Agreement.
- 8.3. **Purchaser’s Obligations at Closing.** At Closing, Purchaser shall deliver to Seller the following:
- (a) **Purchase Price.** The Purchase Price (net of the Earnest Money and subject to any other adjustments and prorations required under this Agreement) by cashier’s check or wire transfer of immediately available funds.
  - (b) **Other Documents.** All other documents and instruments required to be executed or tendered by Purchaser under the terms of this Agreement, or that either Seller’s or Purchaser’s attorney or the Title Company may reasonably require to properly consummate the transaction contemplated by this Agreement.
- 8.4. **Prorations.** At Closing, the following prorations shall be computed and apportioned between Purchaser and Seller as of the end of the day prior to Closing based on the ratio of the number of days in the period for which such charges are

paid to the number of days in such period (i) before but not including the date of Closing and (ii) from and after the date of Closing:

- (a) **Property Taxes.** Real and personal property taxes for the Property shall be prorated as of the day preceding the Closing Date, and Seller shall pay Seller's pro-rata portion thereof at Closing. In the event that the amount of real and personal property taxes for the current year is unknown at Closing, the taxes shall be prorated based on the mill rate for taxes assessed for the immediately preceding year, taking into account the current appraised value for the Property issued by the County Appraisal District, and Purchaser shall notify Seller of any necessary adjustment to such proration within thirty (30) days when correct tax figures are known, and thereafter any necessary adjustments shall be made.
  - (b) **Utility Charges and Operating Expenses.** Utility charges and operating expenses for the Property, if any, shall be prorated as of the end of the day preceding the Closing Date, and Seller shall pay Seller's pro-rata portion thereof as of the Closing Date. Seller agrees to order final meter readings to be made as of the Closing Date for all utilities serving the Property.
  - (c) **Rents and Income.** Collected rents and income of the Property shall be prorated as of the end of the day preceding the Closing Date. All rental payments received post-Closing by Purchaser shall be allocated: (a) first to Seller for pre-Closing delinquent rentals; (b) next to Purchaser for costs of collection; and (c) next to Purchaser for post-Closing rentals. Purchaser's obligation to forward delinquent rentals to Seller shall cease ninety (90) days after Closing.
  - (d) **Tenant Deposits.** Purchaser shall receive a credit for the amount of the refundable Tenant Deposits set forth in the Assignment.
- 8.5. **Possession.** Possession of the Property shall be delivered to Purchaser at Closing, subject to the existing tenant leases and Permitted Exceptions.
- 8.6. **Closing Costs.** Except as otherwise expressly provided herein, Seller shall pay on the Closing Date recording costs for any lien releases or other title curative documents, the title insurance premium for the Owner's Policy, and one-half (1/2) of any escrow fees and other customary charges of the Title Company. Purchaser shall pay on the Closing Date recording costs for the deed, the title insurance premiums for the loan policy of title insurance and any endorsements thereto and for any Purchaser requested endorsements to Owner's Policy, and Purchaser's recordable financing documents and one-half (1/2) of any escrow fees and other customary charges of the Title Company. Each of the Parties shall pay their own attorney fees.
9. **Risk of Loss.**

- 9.1. **Casualty.** Seller assumes all risks and liability for damage to or injury occurring to the Land or the Improvements by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Land or the Improvements, or any part thereof, suffers any damage prior to the Closing from fire or other casualty, Purchaser, at its option, may terminate its obligations under this Agreement by written notice given to Seller within ten (10) Business Days after Purchaser has received notice of such fire or other casualty or at the Closing, whichever is earlier. If Purchaser does not so elect to terminate its obligations under this Agreement, then the Closing shall take place as provided herein, and, at the option of Purchaser, either (i) there shall be assigned to Purchaser at the Closing all interest of Seller in and to any insurance proceeds which may be payable to Seller on account of such occurrence and the Purchase Price shall be reduced by the amount of any applicable deductible or self-insurance, or (ii) Seller shall restore the Property to its former condition and the Closing Date shall be deferred not to exceed sixty (60) business days to allow Seller to complete the restoration.
- 9.2. **Condemnation.** If prior to the Closing action is initiated or threatened to take any of the Land by eminent domain proceedings or by deed in lieu thereof, Purchaser may either (a) terminate this Agreement and recover the Earnest Money (less Seller's Earnest Money Accrual), in which event the Parties shall have no other or further obligation or liability to each other (other than those obligations expressly surviving termination hereunder), or (b) consummate the Closing, in which latter event the award of the condemning authority shall be assigned to Purchaser at the Closing. In the event of the latter option, Seller shall cause to be prepared a survey plat and accompanying metes and bounds description of the remaining portion of the Land, in the same form as prescribed for the Survey, and such new metes and bounds description shall be used in the Deed and other closing documents at the Closing, if the Closing occurs after the award of the condemned portion of the Property to the condemning authority.
10. **Default.**
- 10.1. **Breach by Seller.** If Seller breaches this Agreement and such breach continues for a period of ten (10) days after Seller's receipt of written notice thereof from Purchaser, Purchaser may, as Purchaser's sole and exclusive remedy, either (a) terminate this Agreement upon written notice to Seller and thereupon shall be entitled to the immediate return of the Earnest Money (plus any interest accrued thereon) plus Seller's reimbursement of all reasonably documented, third-party costs and expenses incurred by Purchaser in connection with this Agreement and the performance of its Due Diligence, in an amount up to, but not exceeding, \$50,000; or (b) enforce specific performance hereof.
- 10.2. **Breach by Purchaser.** If Purchaser breaches this Agreement and such breach continues for a period of ten (10) days after Purchaser's receipt of written notice

thereof from Seller, Seller shall be entitled to the immediate receipt of the Earnest Money as liquidated damages (and not as a penalty) and as Seller's sole and exclusive remedy and relief under this Agreement. Seller and Purchaser have made this provision for liquidated damages because it would be difficult to calculate, on the Effective Date, the amount of actual damages for such breach, and that these sums represent reasonable compensation to Seller for such breach. In no event shall Purchaser be liable to Seller for any actual, punitive, speculative, consequential or other damages, and Seller hereby waives, releases and discharges Purchaser from any damages in an amount greater than the Earnest Money.

**11. Miscellaneous.**

**11.1. Notices.** Any notice, request or other communication (a "notice") required or permitted to be given hereunder shall be in writing and shall be delivered by hand delivery or by overnight courier, sent by electronic document transmission (email) in PDF format, sent by facsimile, or mailed by United States registered or certified mail, return receipt requested, postage prepaid and addressed to each party at its address as set forth on the signature page of this Agreement. Any such notice shall be considered given on the date of such hand or courier delivery, transmission of the email, confirmed facsimile transmission, deposit with such overnight courier for next business day delivery, or deposit in the United States mail. Rejection or other refusal to accept or inability to deliver because of change of address of which no notice was given shall be deemed to be receipt of the notice. By giving at least five (5) days' prior written notice thereof, either party may from time to time and at any time change its address for notices hereunder.

**11.2. Real Estate Commissions.** The Parties represent and warrant to each other that they have dealt with no broker, finder or similar agent in connection with the transaction provided for in this Agreement, other than CBRE, Inc., who has represented Purchaser in connection with this Agreement ("Purchaser's Broker"). If, and only if, the transaction documented by this Agreement closes, Purchaser agrees that it shall pay Purchaser's Broker a real estate commission equal to three percent (3%) of the Purchase Price. Seller agrees to indemnify Purchaser and hold Purchaser harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorney's fees) paid or incurred by Purchaser by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any party claiming by, through or under Seller, other than Purchaser's Broker. Purchaser agrees to indemnify Seller and hold Seller harmless from any loss, liability, damage, cost or expense (including, without limitation, reasonable attorney's fees) paid or incurred by Seller by reason of any claim to any broker's, finder's or other fee in connection with this transaction by any party claiming by, through or under Purchaser, including Purchaser's Broker. The foregoing indemnifications shall survive the Closing.



- 11.3. **Entire Agreement.** This Agreement embodies the entire agreement between the Parties relative to the subject matter of this Agreement, and there are no oral or written agreements between the parties or any representations made by either Party relative to the subject matter of this Agreement which are not expressly set forth herein.
- 11.4. **Amendment.** This Agreement may be amended only by a written instrument executed by the Party or Parties to be bound thereby.
- 11.5. **Headings.** The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.
- 11.6. **Time of Essence.** Time is of the essence in the performance of this Agreement. However, if the final date of any period or the date by which performance of a certain act is required that is set out in any provision of this Agreement falls on a day that is not a Business Day, the time of such period shall be extended to the next day which is a Business Day. For purposes of this Agreement, the term "Business Day" or "Business Days" shall mean and refer to all days other than Saturdays, Sundays and days upon which the Federal Reserve Bank of Dallas is closed.
- 11.7. **Applicable Law; Place of Performance.** The validity, enforceability, interpretation of this agreement shall be construed under and in accordance with the laws of the State of Texas. all of the obligations contained in this agreement are performable in Travis county, Texas. venue of any action brought under this agreement shall be in Travis county, Texas.
- 11.8. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of Seller and Purchaser and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns. Purchaser may assign Purchaser's rights under this Agreement to any affiliated entity of Purchaser without the prior written consent of, but with prior notice to, Seller.
- 11.9. **Survival of Representations, Warranties and Obligations.** The terms, conditions, warranties, representations, obligations and rights set forth in this Agreement shall not be deemed terminated at the time of Closing, nor shall they merge into the various documents executed and delivered at the time of Closing.
- 11.10. **Invalid Provision.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this Agreement shall remain in full force and effect and

shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

- 11.11. **Attorney Fees.** In the event it becomes necessary for either Party hereto to file suit to enforce this Agreement or any provision contained herein, the Party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorney fees incurred in such suit.
- 11.12. **Counterparts.** This Agreement may be executed in any number of counterparts which together shall be deemed to constitute one document. Executed counterparts may be delivered via facsimile or email.
- 12. **Disclaimer of Warranties; "AS IS" conveyance.**
  - 12.1. Purchaser acknowledges and agrees that prior to the Closing Date, Purchaser will have had access to and sufficient time to inspect the Property and review information, documents, agreements, books and records relating to the Property which it deems necessary or desirable, and that Purchaser will have conducted (or given the opportunity to conduct) to its satisfaction a complete and thorough inspection, testing, analysis and evaluation of the Property, including but not limited to environmental issues, if any. Purchaser further acknowledges and agrees that Purchaser is and will be relying solely on Purchaser's independent investigation and inspection of the Property in determining whether to purchase the Property, and not on any representation or lack of representation on the part of Seller.
  - 12.2. Excepting Seller's warranty of title and those representations in Section 5.1 above that survive the Closing Date, Seller is conveying the Property to Purchaser, and Purchaser is accepting the Property from Seller, "AS IS, WHERE IS", and "WITH ALL FAULTS" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature, or type whatsoever from, by, or on behalf of Seller. This provision survives Closing, and shall be incorporated into the Special Warranty Deed from Seller to Purchaser.

End of Page. Signature Pages Follow.

**Signature Page for Real Estate Contract**

Executed to be effective as of the Effective Date.

**SELLER:**

**Behzad Bahrami:** \_\_\_\_\_

Address for Notices:

Alex Bahrami

Phone: 512-658-4333

Email: Apexaustin@yahoo.com

Copy to:

Doug Hearne, Jr., Esq.

Law Office of Douglass D. Hearne, Jr.

Barton Oaks Plaza

901 S. Mopac Expressway, Building V, Suite 200

Austin, Texas 78746

Phone: 512-494-8811

Email: dhearne@hearnelaw.com

**Purchaser:** **Caritas of Austin**, a Texas nonprofit corporation

By: \_\_\_\_\_

Printed Name: KATHRYN QUINN

Title: L.G. 20

Address for Notices:

c/o Gaines Bagby

CBRE, Inc.

500 W 2nd Street, Suite 1700

Austin, TX 78701

Phone: 512-791-3511

Email: gaines.bagby@cbre.com |

Copy to:

Steven M. Bowers

Attorney at Law

3724 Jefferson St Ste 210

Austin TX 78731

Phone: 512-470-1075

Email: smbowers2008@gmail.com

Email: [smbowers2008@gmail.com](mailto:smbowers2008@gmail.com)




### Title Company Receipt Page

Austin Title Company, referred to in this Contract as the Title Company, acknowledges receipt of a fully executed copy (or executed counterparts) of the Contract, and accepts the obligations of the Title Company as stated in the Contract.

The Title Company's date of receipt, as indicated below, is the Effective Date of this Contract.

**Title Company:**

**Austin Title Company**

By:  for Tray Conover

Printed Name: Meredith Lathrap

Title: Escrow Assistant


Date: 1/7/20

**Austin Title Company**  
Commercial Division  
1717 W. 6th St., Ste. 102  
Austin, Texas 78703  
(512) 329-0777  
Team.Conover@austintitle.com

Austin Title Company  
Commercial Division  
1717 W. 6th St., Ste. 102  
Austin, Texas 78703  
(512) 329-0777  
Team.Conover@austintitle.com

## Escrow Receipt

Austin Title Company acknowledges receipt of earnest money in the amount of \$50,000 in the form of a wire on this day January 8, 2020.

By: 

Troy D. Conover, SVP/Manager

Austin Title Company  
Commercial Division  
1717 W. 6th St., Ste. 102  
Austin, Texas 78703  
(512) 329-0777  
Team.Conover@austintitle.com

**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT F**

Rent Schedule	
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Unit types must be entered from smallest to largest based on “# of Bedrooms” and “Unit Size”, then within the same “# of Bedrooms” and “Unit Size” from lowest to highest “Rent Collected/Unit”.

Self Score Total: **140**

**Private Activity Bond Priority (For Tax-Exempt**

Unit types must be entered from smallest to largest based on “# of Bedrooms” and “Unit Size”, then within	Self Score Total:	140
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**If MFDL only or MFDL is the only permanent financing, there cannot be ANY market rate Units. Bond Developments ONLY):**

**Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):**

[illegible]



## Rent Schedule (Continued)

		% of LI	% of Total	
HOUSING	TC20%			0
	TC30%	16%	16%	27
	TC40%			0
	TC50%	68%	68%	117
	TC60%	16%	16%	27
	TC70%			0
	TC80%			0
	HTC LI Total			171
TAX CREDITS	EO			0
	MR			0
	MR Total			0
	Total HTC Units			171
DIRECT LOAN (NHTF)	HTF30%	100%	100%	25
	NHTF LI Total			25
	MR			0
	MR Total			0
	HTF Total			25

		% of LI	% of Total	
MORTGAGE REVENUE	MRB20%			0
	MRB30%			0
	MRB40%			0
	MRB50%			0
	MRB60%			0
	MRB70%			0
	MRB80%			0
	MRB LI Total			0
BOND	MRBMR			0
	MRBMR Total			0
	MRB Total			0
DIRECT LOAN (HOME, TCAP RF, and/or NSP1 PI)	30%			0
	40%			0
	LH/50%			0
	HH/60%			0
	HH/80%			0
	Direct Loan LI Total			0
	EO			0
	MR			0
	MR Total			0
	Direct Loan Total			0
OTHER	Total OT Units			43

BEDROOMS	0			171
	1			0
	2			0
	3			0
	4			0
	5			0

ACQUISITION + HARD		DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
Cost Per Sq. Ft	\$ 229.63	
HARD		
Cost Per Sq. Ft	\$ 229.63	
BUILDING		
Cost Per Sq. Ft	\$ 169.56	

## Utility Allowances [§10.614]

**Applicant must attach documentation to this form to support the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614(k). This exhibit must clearly indicate which utility costs are included in the estimate.**

*If tenants will be required to pay any other mandatory fees (e.g. renter's insurance) please provide an estimate, description and documentation of those as well.*

Utility	Who Pays	Energy Source	0BR	1BR	2BR	3BR	4BR	Source of Utility Allowance & Effective Date
Heating	Landlord	Electric	\$ 6.00	\$ 7	\$ 9	\$ 11	\$ 13	HACA 1/2020 Update
Cooking	Landlord	Electric	\$ 3.00	\$ 4	\$ 6	\$ 7	\$ 9	HACA 1/2020 Update
Other Electric	Landlord		\$ 22.00	\$ 24	\$ 30	\$ 36	\$ 41	HACA 1/2020 Update
Air Conditioning	Landlord	Electric	\$ 10.00	\$ 12	\$ 16	\$ 21	\$ 25	HACA 1/2020 Update
Water Heater	Landlord	Electric	\$ 7.00	\$ 9	\$ 11	\$ 13	\$ 16	HACA 1/2020 Update
Water	Landlord		\$ 37.00	\$ 38	\$ 45	\$ 53	\$ 60	HACA 1/2020 Update
Sewer	Landlord		\$ 71.00	\$ 72	\$ 85	\$ 99	\$ 112	HACA 1/2020 Update
Trash	Landlord		\$ 25.00	\$ 25	\$ 25	\$ 27	\$ 27	HACA 1/2020 Update
Flat Fee	Tenant							
Other	Tenant							
<b>Total Paid by Tenant</b>			\$ -	\$ -	\$ -	\$ -	\$ -	



Other (Describe)

Supportive Housing - all bills paid by landlord

If a revised form is submitted, date of submission:

ANNUAL OPERATING EXPENSES				
<b>General &amp; Administrative Expenses</b>				
Accounting		\$	18,367	
Advertising		\$	3,103	
Legal fees		\$	4,275	
Leased equipment		\$	0	
Postage & office supplies		\$	6,517	
Telephone		\$	16,559	
Other	dues, fees, licenses	\$	14,750	
Other	employee engagement, training, uniforms	\$	4,497	
Total General & Administrative Expenses:				\$ 68,068
Management Fee:		Percent of Effective Gross Income: 5.00%		\$ 79,900
<b>Payroll, Payroll Tax &amp; Employee Benefits</b>				
Management		\$	225,000	
Maintenance		\$	85,000	
Other	payroll taxes	\$	14,000	
Other	employee benefits	\$	22,500	
Total Payroll, Payroll Tax & Employee Benefits:				\$ 346,500
<b>Repairs &amp; Maintenance</b>				
Elevator		\$	4,280	
Exterminating		\$	7,221	
Grounds		\$	13,235	
Make-ready		\$	4,422	
Repairs		\$	29,155	
Pool		\$	0	
Other	Janitorial Contract	\$	45,511	
Other	describe	\$		
Total Repairs & Maintenance:				\$ 103,824
<b>Utilities (Enter Only Property Paid Expense)</b>				
Electric	comporable properties	\$	83,423	
Natural gas		\$		
Trash	comporable properties	\$	15,000	
Water/Sewer	comporable properties	\$	43,144	
Other	describe	\$		
Other	describe	\$		
Total Utilities:				\$ 141,567
Annual Property Insurance:		Rate per net rentable square foot: \$ 0.86		\$ 69,667
<b>Property Taxes:</b>				
Published Capitalization Rate:		8.25%	Source: Travis CAD	
Annual Property Taxes		\$	0	
Payments in Lieu of Taxes		\$		
Total Property Taxes:				\$ -
Reserve for Replacements:		Annual reserves per unit: \$ 250		\$ 42,750
<b>Other Expenses</b>				
Cable TV		\$		
Supportive Services (Staffing/Contracted Services)		\$		
TDHCA Compliance fees (\$40/HTC unit)		\$	6,840	
TDHCA Direct Loan Compliance Fees (\$34/MDL unit)		\$		
TDHCA Bond Compliance Fees (TDHCA as Bond Issuer Only - \$25/MRB unit)		\$		
Bond Trustee Fees (ALL Tax-Exempt Bond Developments)		\$		
Security		\$	9,500	
Other	describe	\$		
Other	describe	\$		
Total Other Expenses:				\$ 16,340
TOTAL ANNUAL EXPENSES		Expense per unit: \$ 5080		\$ 868,616
		Expense to Income Ratio: 54.35%		
NET OPERATING INCOME (before debt service)				\$ 729,584
<b>Annual Debt Service</b>				
	First Mortgage Lender	\$	548,560	
		\$		
		\$		
	TDHCA Bond-Issuer Admin Fee (0.10%)	\$		
TOTAL ANNUAL DEBT SERVICE		Debt Coverage Ratio: 1.33		\$ 548,560
NET CASH FLOW				\$ 181,025

If a revised form is submitted, date of submission:

15 Year Rental Housing Operating Pro Forma (All Programs)									
---	--	--	--	--	--	--	--	--	--

*The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.*

INCOME	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 10	YEAR 15
POTENTIAL GROSS ANNUAL RENTAL INCOME	\$1,699,056	\$1,733,037	\$1,767,698	\$1,803,052	\$1,839,113	\$2,030,529	\$2,241,868
Secondary Income	\$ 28,728	\$ 29,303	\$ 29,889	\$ 30,486	\$ 31,096	\$ 34,333	\$ 37,906
POTENTIAL GROSS ANNUAL INCOME	\$1,727,784	\$1,762,340	\$1,797,586	\$1,833,538	\$1,870,209	\$2,064,862	\$2,279,774
Provision for Vacancy & Collection Loss	(\$129,584)	(\$132,175)	(\$134,819)	(\$137,515)	(\$140,266)	(\$154,865)	(\$170,983)
Rental Concessions	\$0						
EFFECTIVE GROSS ANNUAL INCOME	\$1,598,200	\$1,630,164	\$1,662,767	\$1,696,023	\$1,729,943	\$1,909,997	\$2,108,791
EXPENSES							
General & Administrative Expenses	\$68,068	\$70,110	\$72,213	\$74,380	\$76,611	\$88,813	\$102,959
Management Fee	\$ 79,900	\$ 81,498	\$ 83,128	\$ 84,791	\$ 86,486	\$ 95,488	\$ 105,426
Payroll, Payroll Tax & Employee Benefits	\$ 346,500	\$ 356,895	\$ 367,602	\$ 378,630	\$ 389,989	\$ 452,104	\$ 524,112
Repairs & Maintenance	\$ 103,824	\$ 106,939	\$ 110,147	\$ 113,451	\$ 116,855	\$ 135,467	\$ 157,043
Electric & Gas Utilities	\$ 83,423	\$ 85,926	\$ 88,503	\$ 91,159	\$ 93,893	\$ 108,848	\$ 126,185
Water, Sewer & Trash Utilities	\$ 58,144	\$ 59,888	\$ 61,685	\$ 63,536	\$ 65,442	\$ 75,865	\$ 87,948
Annual Property Insurance Premiums	\$ 69,667	\$ 71,757	\$ 73,910	\$ 76,127	\$ 78,411	\$ 90,900	\$ 105,378
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Replacements	\$ 42,750	\$ 44,033	\$ 45,353	\$ 46,714	\$ 48,116	\$ 55,779	\$ 64,663
Other Expenses	\$ 16,340	\$ 16,830	\$ 17,335	\$ 17,855	\$ 18,391	\$ 21,320	\$ 24,716
TOTAL ANNUAL EXPENSES	\$868,616	\$893,875	\$919,877	\$946,642	\$974,193	\$1,124,583	\$1,298,430
NET OPERATING INCOME	\$729,584	\$736,289	\$742,891	\$749,381	\$755,750	\$785,414	\$810,361
DEBT SERVICE							
First Deed of Trust Annual Loan Payment	\$548,560	\$548,560	\$548,560	\$548,560	\$548,560	\$548,560	\$548,560
Second Deed of Trust Annual Loan Payment							
Third Deed of Trust Annual Loan Payment							
Other Annual Required Payment							
Other Annual Required Payment							
ANNUAL NET CASH FLOW	\$181,025	\$187,729	\$194,331	\$200,822	\$207,191	\$236,854	\$261,802
CUMULATIVE NET CASH FLOW	\$181,025	\$368,754	\$563,085	\$763,907	\$971,097	\$2,081,209	\$3,327,849
Debt Coverage Ratio	1.33	1.34	1.35	1.37	1.38	1.43	1.48
Developer Fee Payment	\$181,025	\$187,729	\$194,331	\$200,822	\$207,191		
Other (Describe)							

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

**Signature, Authorized Representative, Construction or Permanent Lender**

Printed Name

Date \_\_\_\_\_

---

**Printed Name**

\_\_\_\_\_

**Date**

Signature, Authorized Representative, Syndicator



# Development Cost Schedule

Self Score Total: **140**

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the Total Cost column. Direct Loan Applicants should review costs ineligible for reimbursement with Direct Loan funds in 10 TAC §13.3(e), while all HTC Applicants must complete the Eligible Basis columns and the Requested Credit calculation below:

TOTAL DEVELOPMENT SUMMARY		
Total	Eligible Basis (If Applicable)	
Cost	Acquisition	New/Rehab.

Scratch Paper/Notes

## ACQUISITION

Site acquisition cost	5,600,000		
Existing building acquisition cost			
Closing costs & acq. legal fees			
Broker Commission	168,000		
Other (specify) - see footnote 1			
<b>Subtotal Acquisition Cost</b>	\$5,768,000	\$0	\$0

## OFF-SITES<sup>2</sup>

Off-site concrete			
Storm drains & devices			
Water & fire hydrants			
Off-site utilities			
Sewer lateral(s)			
Off-site paving			
Off-site electrical			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
<b>Subtotal Off-Sites Cost</b>	\$0	\$0	\$0

## SITE WORK<sup>3</sup>

Demolition	115,000		
Asbestos Abatement (Demolition Only)			
Detention	296,000		296,000
Rough grading	246,000		246,000
Fine grading	94,000		94,000
On-site concrete	197,000		197,000
On-site electrical	174,000		174,000
On-site paving	158,000		158,000
On-site utilities	196,750		196,750
Decorative masonry			
Bumper stops, striping & signs	39,000		39,000
COA required streetscape, water quality & mobilization	254,000		254,000
<b>Subtotal Site Work Cost</b>	\$1,769,750	\$0	\$1,654,750

## SITE AMENITIES

Landscaping	125,000		125,000
Pool and decking			
Athletic court(s), playground(s)			
Fencing	25,000		25,000
Other (specify) - see footnote 1			
<b>Subtotal Site Amenities Cost</b>	\$150,000	\$0	\$150,000

paid by Purchaser per contract

**ALL OFF-SITE COSTS REQUIRE DOCUMENTATION. THOSE ENTERED IN BASIS REQUIRE MORE DOCUMENTATION!!! SEE 10 TAC §11.204(8)(E)(ii).**

**BUILDING COSTS\*:**

Concrete	681,102		681,102
Masonry	451,959		451,959
Metals	58,583		58,583
Woods and Plastics	2,445,398		2,445,398
Thermal and Moisture Protection	937,978		937,978
Roof Covering	401,204		401,204
Doors and Windows	595,935		595,935
Finishes	2,324,735		2,324,735
Specialties	186,282		186,282
Equipment	607,544		607,544
Furnishings	23,560		23,560
Special Construction			
Conveying Systems (Elevators)	304,000		304,000
Mechanical (HVAC; Plumbing)	3,220,793		3,220,793
Electrical	1,504,260		1,504,260

**Individually itemize costs below:**

Detached Community Facilities/Building			
Carports and/or Garages			
Lead-Based Paint Abatement			
Asbestos Abatement (Rehabilitation Only)			
Structured Parking			
Commercial Space Costs			
Other (specify) - see footnote 1			
<b>Subtotal Building Costs Before 11.9(e)(2)</b>	\$13,743,333	\$0	\$13,743,333

**Voluntary Eligible Building Costs (After 11.9(e)(2))\***

Enter amount to be used to achieve desired score.

\$0.00 psf

If NOT seeking to score points under §11.9(e)(2), E77:E78 should remain BLANK. True eligible building cost should be entered in line items E33:E74. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E77:E78 that produces the target cost per square foot in D77:D78. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.

<b>TOTAL BUILDING COSTS &amp; SITE WORK</b>	\$15,663,083	\$0	\$15,548,083
<b>(including site amenities)</b>			
Contingency 5.00%	\$783,154		783,154

<b>TOTAL HARD COSTS</b>	\$16,446,237	\$0	\$16,331,237
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OTHER CONSTRUCTION COSTS	%THC			%EHC	
General requirements (<6%)	5.99%	985,130		978,241	5.99%
Field supervision (within GR limit)					
Contractor overhead (<2%)	1.99%	327,280		324,992	1.99%
G & A Field (within overhead limit)					
Contractor profit (<6%)	5.99%	985,130		978,241	5.99%

<b>TOTAL CONTRACTOR FEES</b>	\$2,297,539	\$0	\$2,281,474
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<b>TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)</b>	\$18,743,776	\$0	\$18,612,711
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**Voluntary Eligible "Hard Costs" (After 11.9(e)(2))\***

Enter amount to be used to achieve desired score.

\$0.00 psf

If NOT seeking to score points under §11.9(e)(2), E96:E97 should remain BLANK. True eligible cost should be entered in line items E83 and E87:E91. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs in E96:E97 that produces the target cost per square foot in D96:D97. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.

**SOFT COSTS<sup>3</sup>**

Architectural - Design fees	749,751		749,751
Architectural - Supervision fees			
Engineering fees	281,157		281,157
Real estate attorney/other legal fees	110,000		110,000
Accounting fees	55,000		55,000
Impact Fees			
Building permits & related costs	376,090		376,090
Appraisal	7,500		7,500
Market analysis	8,000		8,000
Environmental assessment	15,000		15,000
Soils report	20,000		20,000
Survey	10,000		10,000
Marketing	25,000		
Hazard & liability insurance	65,000		65,000
Real property taxes	141,414		141,414
Personal property taxes			
Tenant Relocation	450,000		
Civil Feasibility Report	11,600		11,600
Unit and Common Area Furnishings	354,825		354,825
Green Consultant/Mat Testing/Submetering	115,000		115,000
<b>Subtotal Soft Cost</b>	<b>\$2,795,337</b>	<b>\$0</b>	<b>\$2,320,337</b>

\$266,399 in fees waived by City of Austin Commitment of Development Funding by LPS in Sources

**FINANCING:****CONSTRUCTION LOAN(S)<sup>3</sup>**

Interest	906,667		680,000
Loan origination fees	170,000		170,000
Title & recording fees	80,000		80,000
Closing costs & legal fees	40,000		40,000
Inspection fees	20,000		20,000
Credit Report			
Discount Points			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			


**PERMANENT LOAN(S)**

Loan origination fees	100,000		
Title & recording fees	25,000		
Closing costs & legal	25,000		
Bond premium			
Credit report			
Discount points			
Credit enhancement fees			
Prepaid MIP			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			


**BRIDGE LOAN(S)**

Interest			
Loan origination fees			
Title & recording fees			
Closing costs & legal fees			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			


**OTHER FINANCING COSTS<sup>3</sup>**

Tax credit fees	26,552		
Tax and/or bond counsel	175,000		175,000
Payment bonds	234,297		
Performance bonds			
Credit enhancement fees			
Mortgage insurance premiums			
Cost of underwriting & issuance	425,000		425,000
Syndication organizational cost	50,000		
Tax opinion			
Refinance (existing loan payoff amt)			
Other (specify) - see footnote 1			
Other (specify) - see footnote 1			
<b>Subtotal Financing Cost</b>	\$2,277,516	\$0	\$1,590,000

**DEVELOPER FEES<sup>3</sup>**

Housing consultant fees <sup>4</sup>	50,000		50,000
General & administrative			
Profit or fee	3,325,000		3,325,000
<b>Subtotal Developer Fees</b>	14.91% \$3,375,000	\$0	\$3,375,000 14.98%

**RESERVES**

Rent-up - new funds	80,000		
Rent-up - existing reserves*			
Operating - new funds	521,170		
Operating - existing reserves*			
Replacement - new funds			
Replacement - existing reserves*			
Escrows - new funds			
Escrows - existing reserves*			
<b>Subtotal Reserves</b>	\$601,170	\$0	\$0

**\*Any existing reserve amounts should be listed on the Schedule of Sources.**

<b>TOTAL HOUSING DEVELOPMENT COSTS<sup>5</sup></b>	\$33,560,798	\$0	\$25,898,048
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*The following calculations are for HTC Applications only.*

**Deduct From Basis:**

Federal grants used to finance costs in Eligible Basis			
Non-qualified non-recourse financing			
Non-qualified portion of higher quality units §42(d)(5)			
Historic Credits (residential portion only)			
<b>Total Eligible Basis</b>		\$0	\$25,898,048
**High Cost Area Adjustment (100% or 130%)			130%
<b>Total Adjusted Basis</b>		\$0	\$33,667,462
Applicable Fraction			100%
<b>Total Qualified Basis</b>	\$33,667,462	\$0	\$33,667,462
Applicable Percentage <sup>6</sup>			3.07%
<b>Credits Supported by Eligible Basis</b>	\$1,033,591	\$0	\$1,033,591
<b>Credit Request</b> (from 17.Development Narrative)	\$ 1,033,591		

<b>Requested Score for 11.9(e)(2)</b>	12
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**\*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that the figure is not rounding down to the maximum dollar figure to support the elected points.**

Name of contact for Cost Estimate: **Mike Willemsen**

Phone Number for Contact: **(518) 514-8119**



If a revised form is submitted, date of submission:

---

## Schedule of Sources of Funds and Financing Narrative

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

Financing Participants	Funding Description		Construction Period		Lien Position	Permanent Period					Lien Position
			Loan/Equity Amount	Interest Rate (%)		Loan/Equity Amount	Interest Rate (%)	Amort - ization	Term (Yrs)	Syndication Rate	
Debt											
TDHCA	<a href="#">MF Direct Loan Const. to Perm. (Repayable)</a>		\$0			\$ -	0.00%	30	0		
TDHCA	<a href="#">MF Direct Loan Const. Only (Repayable)</a>		\$0	0.00%							
TDHCA	<a href="#">Multifamily Direct Loan (Soft Repayable)</a>		\$3,000,000	0.00%	2	\$ 3,000,000	0.00%	40	40		2
TDHCA	<a href="#">Mortgage Revenue Bond</a>		\$0	0.00%		\$ -	0.00%	0	0		
M1 Bank	Conventional Loan		\$17,000,000	4.00%	1	\$ 10,324,278	4.00%	35	15		1
City of Austin	Local Government Loan		\$8,500,000	0.00%	3	\$ 8,500,000	0.00%	0	40		3
Third Party Equity											
Boston Financial	<a href="#">HTC</a>	\$ 1,033,591	\$ 3,255,161			\$ 9,300,459				0.9	
Grant											
City of Austin Fee Waivers	<a href="#">§11.9(d)(2)LPS Contribution</a>		\$ 116,399			\$ 116,399					
Deferred Developer Fee											
Caritas of Austin/Vecino Bond Group			\$ 1,539,239			\$ 1,629,250					
Other											
City of Austin Fee Waivers	<a href="#">Direct Loan Match</a>		\$ 150,000			\$ 150,000					
Owner Equity						\$ 540,412					
Total Sources of Funds			\$ 33,560,798			\$ 33,560,798					
Total Uses of Funds						\$ 33,560,798					

**INSTRUCTIONS:** Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

**Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).**

Please see attached Financing Narrative.

**Describe the replacement reserves. Are there any existing reserve accounts that will transfer with the property? If so, describe what will be done with these funds.**

*Replacement reserves of \$250k per unit are included in the operating budget.*

**Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.**

Espero Austin at Rutland is a proposed Supportive Housing development where the primary resident demographic will be individuals living with extremely low incomes. The project will pair high-quality housing with deeply supportive services and will target persons exiting homelessness. The goal is to keep rents at the property as low as possible. We will do this through a combination of Project-Based vouchers (contract after award), tenant-based vouchers, and partnerships with fellow social service agencies. Please see Financing Narrative for additional details.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

\_\_\_\_\_  
Signature, Authorized Representative, Construction or Permanent Lender

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

Telephone: \_\_\_\_\_

Email address: \_\_\_\_\_

If a revised form is submitted, date of submission: \_\_\_\_\_

## **Financing Narrative**

### **Espero Austin at Rutland - AUSTIN, TEXAS**

#### **Construction Sources and Uses**

The construction funding sources include a construction loan from M1 Bank (or to be determined lender) in the amount of \$17,000,000, a Multifamily Direct Loan (Soft Repayable) in the amount of \$3,000,000, investor equity in the amount of \$3,225,161 a loan from the Austin Housing Finance Corporation (City of Austin) in the amount of \$8,500,000, City of Austin fee waivers in the amount of \$266,399 (with \$150,000 being used as MFLDL match) and a pledged deferred developer fee in the amount of \$1,539,239.

The construction loan from M1 Bank will carry an interest rate of 4.00% and will require interest-only payments during the construction period. Construction loan interest, assuming the loan is fully drawn for in one year, will be approximately \$680,000.

Equity will be advanced from Boston Financial (or to be determined investor) in the estimated amount of \$9,300,459 with 35% of this amount disbursed during the construction phase. The exact amount may be adjusted based on adjusters to be defined in the partnership agreement. The syndication proceeds are to be based on \$0.90 per dollar of tax credits and a projected tax credit allocation of \$1,033,591.

The developer has applied for \$8,500,000 in funding from the Austin Housing Finance Corporation (City of Austin). The source of the funds is general obligation bond funding administered through the City's Rental Housing Developer Assistance program that is not Federal. Terms of the loan will be for a minimum of 40 years at zero percent interest. Repayment of the loan will be deferred on a yearly basis and forgiven at the end of the loan period contingent upon compliance with the loan agreement.

The developer is simultaneously applying for \$3,000,000 in TDHCA Multifamily Direct Loan funding under the Supportive Housing/Soft Repayment Set-Aside as part of this HTC application. Term of the loan will be for 40 years at zero percent interest. Repayment of the loan will be payable from surplus cash flow and/or deferred on a yearly basis and payable at the end of the loan period contingent upon compliance with the loan agreement. It is the preference for this loan to be structured as a pass-through loan that will be forgiven at the end of the loan period.

The City of Austin is making a commitment of Development Funding by a Local Political Subdivision in the form of reduced permit fees. The total amount of City fees estimated for the project is \$376,090. Of those fees, \$266,399 are eligible to be waived by the City. Please see attached commitment letter from the City of Austin detailing their commitment to the fee waivers.

In addition, the developer will defer approximately \$1,539,239 of the developer fee during the construction period.

#### **Permanent Sources and Uses**

The total equity available from Boston Financial (or to be determined investor partner) as a permanent source of funding will be \$9,300,459.

The permanent loan from M1 Bank (or to be determined lender) will be in the amount of \$10,324,278 with a 4.00% rate, a 15 year term and 35 year amortization. The Austin Housing



Finance Corporation loan (City of Austin) in the amount of \$8,500,000 will be a source of permanent financing, with no payments of principal or interest required as long as the property continues to satisfy the affordability restrictions.

The developer is simultaneously applying for \$3,000,000 in TDHCA Multifamily Direct Loan funding under the Supportive Housing/Soft Repayment Set-Aside as part of this HTC application. Term of the loan will be for 40 years at zero percent interest. Repayment of the loan will be through surplus cash flow and/or deferred on a yearly basis and payable at the end of the loan period contingent upon compliance with the loan agreement. As Supportive Housing, it is the preference for this loan to be forgivable.

The City of Austin is making a commitment of Development Funding by a Local Political Subdivision in the form of reduced permit fees. The total amount of City fees estimated for the project is \$376,090. Of those fees, \$266,399 are eligible to be waived by the City. Please see attached commitment letter from the City of Austin detailing their commitment to the fee waivers.

Caritas of Austin will provide \$540,412 in owner equity to the project that will be made up of private fundraising sources raised for the project.

Finally, the developer is prepared to make up any gap in sources and uses by deferring the developer fee. Currently, the permanently deferred developer fee is projected at \$1,629,250 and can be paid back from cash flow prior to year fifteen of operations.

**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**ATTACHMENT G**

# PROPERTY MANAGEMENT PROPOSAL

Presented to:  
Jo Kathryn Quinn



***Espero Austin at W. 24th***  
***Austin, TX***  
***87 units***



**ALPHA BARNES**  
REAL ESTATE SERVICES

ACCREDITED MANAGEMENT ORGANIZATION®, AMO®

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*“People do business with people, not companies. You must earn their respect and work hard every day to maintain what you have earned.”*

*– Art Barnes, late founding Partner*



# Professional Qualifications Statement





## PROFESSIONAL QUALIFICATIONS STATEMENT

### STATEMENT OF PURPOSE AND PHILOSOPHY

**Alpha Barnes Real Estate Services, LLC.** is a full-service, third-party management firm presently managing approximately **30,000 multi-family units**. Founded in 2000, Alpha Barnes maintains 6 offices across 3 states and 850 staff members in the field of property management, and our portfolio extends to over 85 cities. The size of our portfolio ranks us as one of the largest third-party management firms.

“We’re all about the residents, because home matters”

**Home** is one of the most important places for everyone. For this reason, we, at Alpha Barnes, are meticulous in every aspect of our responsibility. Our Team aims is to provide the best home for every person who chooses to live at one of the many Alpha Barnes communities. We understand the faith our residents place in us, as well as, the fiduciary responsibility our clients place in us, these factors are the basis of our management. We provide personalized services to each Client, Resident and Property. The Alpha Barnes Teams focus on surpassing expectations; we understand the goals of ownership. The reputation of Alpha Barnes is based on trust, integrity and commitment.

**ABRES** is an **Accredited Management Organization® (AMO®)**. This AMO® designation insures that ABRES has met the ongoing requirements of The Institute of Real Estate Management. These requirements include increased levels of fidelity and liability coverage, proven financial stability and continuing education for the Executive Property Managers. Less than 600 firms across the United States and Canada have achieved and maintained this prestigious designation and it is further evidence of ABRES’s commitment to excellence.

### AREAS OF EXPERTISE

The primary business of **Alpha Barnes Real Estate Services** is the management of residential, rental real estate for private owners, non-profit entities, financial institutions and government agencies. In this role, **Alpha Barnes Real Estate Services** provides comprehensive management services that cover all phases of property operations including management, leasing maintenance, financial management and owner and government compliance and reporting. Presently, the firm manages properties in all areas of Texas and throughout the states of Oklahoma and South Carolina and operates from its main office in Dallas with regional offices in San Antonio, Houston and Austin, as well as staff based in Texarkana and Corpus Christi.

In addition to its overall expertise in apartment management, **Alpha Barnes Real Estate Services** possesses a specific capability in the management and operation of affordable housing for families or for the elderly. This category of property includes the follows:

1. Low Income Housing Tax Credit (LIHTC)

**Alpha Barnes Real Estate Services** presently manages 170 properties which utilize the LIHTC. Compliance with LIHTC program requirements is controlled by direct supervisory and compliance staff review of all work and extensive training of all personnel. **Alpha Barnes Real Estate Services** takes special pride in its reputation as an expert in this program and works hard to maintain that reputation.

## 2. New Construction

**Alpha Barnes's** new construction lease-up experience is impressive. The firm's new development background includes project design consulting, pre-construction planning, décor consulting, promotion and full lease-up for over **150+ properties**, totaling over **20,000 units across Texas**. Our objective is to reach full occupancy and maximize the bottom line in the shortest time possible in accordance with the owner's investment parameters. About **75% of our lease-ups have been completed in 9 months or less** and a full **51% have been completed in 6 months or less**.

## 3. Value Add Experience

Real estate assets require periodic improvements, repairs, or in some cases, a complete repositioning. ABRES understands this facet of investment ownership and has maintained a personnel base with the knowledge, expertise, and experience to assist our clients when such projects are contemplated. Coordinating the rehab process with the management of the property is essential, and ABRES has perfected our role in this process to ensure operational goals are either met or exceeded. We have a proven track record of successful repositioning that have continued to earn us praise from our clients, residents, and industry peers. In fact, in recent years ABRES managed properties have undergone comprehensive rehabs ranging from \$125,000 to over \$3 million.

## 4. HUD Financed Properties

**Alpha Barnes Real Estate Services** operates projects financed by the U.S. Department of Housing and Urban Development (HUD) under the Section 221 (d)(3) BMIR and 221 (d)(4) program, the Section 202 program, the Section 811 program and the Section 236 program. **Alpha Barnes Real Estate Services** is familiar with the reporting requirements of all housing related HUD programs as well as the management intricacies.

## 5. Properties with HUD Section 8

**Alpha Barnes Real Estate Services** is under contract to operate 14 entities that have projected-based Section 8 rent subsidies. In addition, **Alpha Barnes Real Estate Services** completes the paperwork for Section 8 projects for several other management companies on a contract basis. **Alpha Barnes Real Estate Services** has five Certified Occupancy Specialists' (COS) on staff.

## 6. Tax Exempt Bonds

**Alpha Barnes Real Estate Services** currently manages dozens of properties that utilized tax exempt bonds to assist in their financing and we are familiar with the restrictions imposed on leasing and the reporting requirements necessary to dovetail with the LIHTC program and to produce program compliance with both programs.

## 7. Non-Profit Groups and Public Agencies

As one of the primary aspects of this proposed management assignment is the ability to work with non-profit groups and public agencies, prior experience working with non-profits appears to be very important. Over its history, **Alpha Barnes Real Estate Services** has served to manage property for, consult for and to assist many non-profit groups. Current non-profit clients include:

Foundation Communities, Austin, Texas

Alamo Community Group, San Antonio,

Texas Merced Housing Texas, San Antonio, Texas

Texas Inter-Faith Housing, Houston, Texas

Operation Relief Center, Dallas, Texas

### **SUMMARY OF APARTMENT MANAGEMENT SERVICES**

**Alpha Barnes Real Estate Services** strives to provide our multi-family clients with the best and most complete services available. A summary of these five major areas of service follows:

#### a. MANAGEMENT AND LEASING

- Advertise, market and lease units.
- Develop and enforce property rules and regulations.
- Recruit, hire, and train on-site managers and leasing agents.
- Provide daily operating procedures and training for on-site office.
- Establish and adjust rental rates and security deposit levels based on occupancy and regular competitive market analysis.
- Administer all personnel records for all on-site management and maintenance employees.



b. MAINTENANCE

- Provide for overall routine maintenance of the property including tenant requested maintenance and make ready preparation.
- Recruit, hire, and train all on-site maintenance and porter personnel.
- Completion of cost-effective and efficient contract bidding, negotiation and administration, including, but not limited to contracts for landscaping, pool maintenance, and non-routine improvements.
- Verifying insurance and bond coverage for all contractors providing services.
- Implementation of a preventative maintenance program.
- Completion of regular property inspections to review property appearance and condition as well as overall curb appeal.
- Identifying and bringing to the attention of the Owner serious non-routine maintenance needs along with proposed solutions.
- Provide 24 hour a day, seven day a week emergency telephone answering and maintenance services.
- Maintain records of all contracts, warranties and other items important to the verification of services performed on the property.

c. COMPLIANCE

- Train all staff in the importance and basic requirement of affordable housing compliance.
- Provide ongoing supervision and retraining of staff through initial lease up and re-certifications.
- Review every file prior to move-in for completeness and eligibility.
- Monitor and maintain the applicable fraction in mixed income properties.
- Prepare for and participate in all site reviews by owners, lenders, monitoring agencies or partners.
- Prepare and submit annual certifications as well as any other reports requested by the owners, lenders, monitoring agency or the partners.

d. FINANCE

- Receipt, recording and processing of all accounts payable.
- Billing, posting receipt and depositing of rents, security deposits, vending income, late fees, electric charges, and any other miscellaneous income.
- Pursuing collection of delinquent rents to the fullest possible extent, including periodic reports to the regional credit bureau and filing of lawsuits in small claims court.
- Maintaining all files and records necessary to insure a good record of financial activities.
- Monthly reconciliation of all accounts and bank statements.
- Provision of monthly and annual financial reporting including but not limited to Balance Sheets, Income and Expense Statements, complete detailed General Ledger, and Budget Variance Analyses.
- Provide assistance and cooperation in periodic auditing.
- Compilation and submission to the client of a recommended annual budget.
- Review and recommendation of all property insurance coverage, upon request of client.

e. COMMUNICATIONS

- Frequent verbal and written communication with client and participation in property-related meetings.
- Communication and coordination with lenders, real estate agents and appraisers, as instructed by the Owner.
- Planning and assistance in coordination of any property-related social functions relative to the overall marketing plan.
- Processing of information requests from outside parties (as authorized by client) and resolution of any problem or complaint originating from property resident.



## GENERAL INFORMATION

Alpha Barnes Real Estate Services, LLC is a Texas Limited Liability Company, the members of which are Michael D. Clark, Hugh A. Cobb, Jeffrey A. Barnes and Stephen N. Barnes.

The federal tax identification number for Alpha Barnes Real Estate Services, LLC is 75-2868321.

Alpha Barnes employs over 850 staff members with 85<sup>+</sup> operating on the corporate level from the main office in Dallas and the two remote offices in San Antonio and Austin.

Alpha Barnes Real Estate Services can be contacted through:

Hugh A. Cobb, Principal  
12720 Hillcrest, #400  
Dallas, Texas 75230  
972-643-3200  
[hcobb@abres.com](mailto:hcobb@abres.com)

*“People do business with people, not companies. You must earn their respect and work hard every day to maintain what you have earned.”*

*– Art Barnes, late founding Partner*

Property	City	State	Zip	Units	Region	Description	LIHTC
87th Apartments	Odessa	TX	79765	181	West Texas	Family	Yes
Addison Park	Arlington	TX	76001	224	North Texas	Family	Yes
Allegre Point	Austin	TX	78728	184	Central Texas	Family	Yes
Amber Stone	Beeville	TX	78102	54	South Texas	Family	Yes
Anson Park I	Abilene	TX	79603	64	West Texas	Family	Yes
Anson Park II Apartments	Abilene	TX	79603	80	West Texas	Family	Yes
Anson Park Seniors	Abilene	TX	79603	80	West Texas	Seniors	Yes
Arbor Oaks	Odessa	TX	79761	120	West Texas	Family	Yes
Arbor Pines	Nacogdoches	TX	75961	200	East Texas	Family	Yes
Arbor Terrace	Odessa	TX	79761	128	West Texas	Family	Yes
Aspire at Live Oak (new construction)	Live Oak	TX	78233	240	South Texas	Family	No
Auburn Square	Vidor	TX	77662	80	East Texas	Family	Yes
Avanti at Greenwood (new construction).	Corpus Christi	TX	78417	81	South Texas	Family	Yes
Avanti East	Edinburg	TX	78542	108	South Texas	Family	Yes
Avanti Legacy at Sienna Palms (new construction)	Weslaco TX	TX	78599	114	South Texas	Family	Yes
Avondale Farms Seniors	Haslet	TX	76052	121	North Texas	Seniors	Yes
Babcock North	San Antonio	TX	78249	138	South Texas	Family	No
Babcock North II	San Antonio	TX	78248	72	South Texas	Family	Yes
Bayshore Towners	Pasadena	TX	77504	100	East Texas	Seniors	Yes
Beacon Bay Townhomes	Port Isabel	TX	78578	76	South Texas	Family	Yes
Big Bass Resort Apartments	Jacinto City	TX	77029	200	Upper Gulf Coast	Seniors	Yes
Bishop Courts	Bishop	TX	78343	60	South Texas	Family	Yes
Blue Water Garden	Hereford	TX	79045	132	Panhandle	Family	Yes
Bonham, Country Village of	Bonham	TX	75418	104	North Texas	Family	No
Bonham, Country Village of - MHP (Mobile Home Park)	Bonham	TX	75418	79	North Texas	Family	No
Briar bend	Beaumont	TX	77708	40	East Texas	Family	Yes
Bridge at Granada (New Construction)	Austin	TX	78753	258	Central Texas	Family	Yes
Buena Vida Senior Village	Corpus Christi	TX	78405	100	South Texas	Seniors	Yes
Butler Brothers Building	Dallas	TX	75201	234	North Texas	Family	No
Calcasieu Apartments	San Antonio	TX	78205	64	South Texas	Family	Yes
Carolina Chase Apartments	Dallas	TX	75240	166	North Texas	Family	No
Casitas De Merced	Somerset	TX	78069	28	South Texas	Seniors	Yes
Castleridge	San Antonio	TX	78227	144	South Texas	Family	No
Catalon	Houston	TX	77084	142	Upper Gulf Coast	Family	Yes
Catalon at Paseo de la Resaca (New Construction)	Brownsville	TX	78526	128	South Texas	Family	Yes
Cayetano Villas of La Vernia	La Vernia	TX	78121	48	South Texas	Family	Yes
Cedar Park	Cedar Park	TX	78613	226	Central Texas	Family	Yes
Cedar Ridge Townhomes I	Arlington	TX	76014	124	North Texas	Family	No
Cedar Ridge Townhomes II	Arlington	TX	76014	44	North Texas	Family	No
Cedarwood	Huntsville	TX	77340	68	Upper Gulf Coast	Family	Yes
Cimarron Springs	Cleburne	TX	76031	156	North Texas	Family	Yes
Cliff View Village I	Dallas	TX	75241	84	North Texas	Seniors	No
Cliff View Village II	Dallas	TX	75241	0	North Texas	Seniors	No
Cliff View Village III	Dallas	TX	75241	0	North Texas	Seniors	No
Cobblestone Village	Cleburne	TX	76033	144	North Texas	Family	Yes
Country Lane Seniors - McKinney	McKinney	TX	7509	230	North Texas	Seniors	Yes
Country Lane Seniors - Temple	Temple	TX	76504	102	Central Texas	Seniors	Yes
Country Lane Seniors - Waxahachie	Waxahachie	TX	75165	102	North Texas	Seniors	Yes
Creekside Village	Edmond	OK	73003	84	OK/AR	Seniors	Yes
Crescent Village I	Elgin	TX	78621	76	Central Texas	Family	No
Crescent Village II	Elgin	TX	78621	76	Central Texas	Family	No
Crest at Illinois Apartments (new construction)	Dallas	TX	75211	264	North Texas	Family	No
Cypress Cove	San Antonio	TX	78238	136	South Texas	Family	No
District at Midtown (new construction)	Tyler	TX	75702	36	East Texas	Family	No
Eddison Lofts (new construction)	Houston	TX	77489	126	Upper Gulf Coast	Family	Yes
Eddison, The (FKA Canyons at 45)	Amarillo	TX	79109	328	Panhandle	Family	Yes
Edgewood Manor	Dallas	TX	75215	30	North Texas	Family	Yes
Edinburg Village	Edinburg	TX	78539	100	South Texas	Family	Yes
El Campo	El Campo	TX	77437	80	South Texas	Family	Yes
Elder Street Artist Lofts	Houston	TX	77007	34	Upper Gulf Coast	Family	Yes
Eleanor Place	San Antonio	TX	78209	9	South Texas	Family	No
Elmhurst Place	San Antonio	TX	78209	23	South Texas	Family	No
Enclave at Buckhorn Crossing	San Antonio	TX	78240	240	South Texas	Family	No
Enclave at Mira Lagos I	Grand Prairie	TX	75054	199	North Texas	Family	No
Enclave at Mira Lagos II	Grand Prairie	TX	75054	112	North Texas	Family	No
Enclave at Parkview	Fort Worth	TX	76179	144	North Texas	Family	Yes

Property	City	State	Zip	Units	Region	Description	LIHTC
Enclave on Pioneer (fka The Oaks)	Balch Springs	TX	75180	147	North Texas	Family	No
Encore at Buckingham	Richardson	TX	75081	242	North Texas	Seniors	No
Estates at Shiloh	Dallas	TX	75228	40	North Texas	Seniors	Yes
Fifty Oaks	Rockport	TX	78382	50	South Texas	Family	Yes
Flats at Shadow Glen	Manor	TX	78653	248	North Texas	Family	No
Forest Park Apartments	Austin	TX	78753	228	Central Texas	Family	Yes
Frankford Station Lofts (new construction)	Carrollton	TX	75007	204	North Texas	Family	Yes
Garland Estates	Garland	TX	75042	40	North Texas	Seniors	No
Glades of Gregory	Gregory	TX	78359	72	South Texas	Family	Yes
Glades of Gregory II (new construction)	Portland	TX	78374	144	South Texas	Family	Yes
Golden Acres Retirement Center	Paris	TX	75460	50	East Texas	Seniors	No
Gran Cielo	Rio Grande City	TX	78582	80	South Texas	Family	Yes
Grand Reserve Seniors, The - McKinney	McKinney	TX	75069	180	North Texas	Seniors	Yes
Grand Reserve Seniors, The - Temple	Temple	TX	46504	102	Central Texas	Seniors	Yes
Grand Reserve Seniors, The - Waxahachie	Waxahachie	TX	75165	80	North Texas	Seniors	Yes
Grand Texas Seniors, The - McKinney	McKinney	TX	75069	100	North Texas	Seniors	Yes
Green Briar Village I	Wichita Falls	TX	76305	76	North Texas	Family	Yes
Greenbriar Village II	Wichita Falls	TX	76305	36	North Texas	Family	Yes
Greens on Turtle Creek, The	Port Arthur	TX	77642	84	East Texas	Seniors	Yes
Guadalupe Villas Seniors (new construction)	Lubbock	TX	79401	128	West Texas	Seniors	Yes
Gulfway Manor	Corpus Christi	TX	78412	151	South Texas	Family	Yes
Hacienda Del Sol	Dallas	TX	75217	55	North Texas	Family	Yes
Hacienda San Miguel (new construction)	Donna	TX	78537	140	South Texas	Family	No
Hampton Villages	Pampa	TX	79065	76	Panhandle	Family	Yes
Heritage Estates at Huntsville (new construction)	Huntsville	TX		48	Upper Gulf Coast	Seniors	No
Highland Villas	Bryan	TX	77802	180	Central Texas	Seniors	Yes
Hillandale Apartments	Columbia	SC	29203	200	South Carolina	Family	Yes
Hillside West Seniors	Dallas	TX	75211	130	North Texas	Seniors	Yes
Homes of Mountain Creek, The	Grand Prairie	TX	75051	200	North Texas	Family	Yes
Hunter's Glen	San Antonio	TX	78211	144	South Texas	Family	Yes
Huntington at Missouri City	Missouri City	TX	77459	120	Upper Gulf Coast	Seniors	Yes
Huntington at Paseo de la Resaca (New Construction)	Brownsville	TX	78526	132	South Texas	Seniors	Yes
Huntington at Sienna Plantation	Missouri City	TX	77459	132	Upper Gulf Coast	Seniors	Yes
Huntington at Sienna Ranch	Missouri City	TX	77459	149	Upper Gulf Coast	Seniors	Yes
Huntington Beaumont (fka Gardens at Sienna)	Beaumont	TX	77708	120	East Texas	Seniors	Yes
Huntington Chimney Rock (new construction)	Houston	TX	77053	100	Upper Gulf Coast	Family	Yes
Huntington College Station (new construction)	College Station	TX	77845	120	West Texas	Family	No
Huntington Lake Jackson (fka Jackson Village)	Lake Jackson	TX	77566	96	South Texas	Seniors	Yes
Huntington Seniors at Buda (The)	Buda	TX	78610	120	Central Texas	Seniors	Yes
Iris Place	Dallas	TX	75240	18	North Texas	Family	No
Ironwood Crossing	Fort Worth	TX	76131	280	North Texas	Family	Yes
Jeffrey Square Apartments	Dallas	TX	75208	20	North Texas	Family	No
Josephine (The)	Austin	TX	67622	90	Central Texas	Family	No
Kensington Place	Houston	TX	77034	216	Upper Gulf Coast	Family	Yes
Kings Court	San Antonio	TX	78212	32	South Texas	Seniors	No
La Villita Phase I	Brownsville	TX	78521	128	South Texas	Family	Yes
La Villita Phase II	Brownsville	TX	78521	80	South Texas	Family	Yes
Lago de Plata	Corsicana	TX	75110	150	North Texas	Family	Yes
Lake Jackson Manor	Lake Jackson	TX	77566	100	South Texas	Seniors	Yes
Lake Park Duplexes	Tyler	TX	75704	50	East Texas	Family	No
Landing, The	Waco	TX	76705	160	Central Texas	Family	Yes
Lansborough Apartments	Houston	TX	77051	176	Upper Gulf Coast	Family	No
LBJ Station	Dallas	TX	75243	249	North Texas	Family	No
Limestone Ridge Apartments	Big Spring	TX	79720	76	West Texas	Family	Yes
Lindbergh Parc	Fort Worth	TX	76106	196	North Texas	Seniors	Yes
Live Oak Villas	George West	TX	78022	48	South Texas	Family	Yes
Lockhart Springs (new construction)	Lockhart	TX		48	Central Texas	Family	Yes
LULAC Village Park	Corpus Christi	TX	78416	152	South Texas	Family	Yes
Lyons Gardens	Austin	TX	78702	54	Central Texas	Seniors	No
Maeghan Pointe Apartments	Edcouch	TX	78538	80	South Texas	Family	Yes
Magnolia at Village Creek	Fort Worth	TX	76119	252	North Texas	Family	Yes
Magnolia Place Senior Apts	Houston	TX	77033	144	Upper Gulf Coast	Seniors	Yes
Majestic on McKinney (The)	Denton	TX	76209	217	North Texas	Family	No
Major Crossing Apartments	Beaumont	TX	75428	96	East Texas	Family	No
Mansions at Hastings Green	Houston	TX	77065	230	Upper Gulf Coast	Family	Yes
Mansions at Hastings Green Senior	Houston	TX	77065	252	Upper Gulf Coast	Seniors	Yes

Property	City	State	Zip	Units	Region	Description	LIHTC
Mansions at Moses Lake	Texas City	TX	77590	240	Upper Gulf Coast	Family	Yes
Mark at Denton (new construction)	Denton	TX	76207	316	North Texas	Family	No
Mark at Midlothian (new construction)	Midlothian	TX	76065	236	North Texas	Family	No
Mark at Weatherford (new construction)	Weatherford	TX		355	North Texas	Family	No
Mark on Conquest (new construction)	Waxahachie	TX	75165	140	North Texas	Family	No
Mark on Solon	Waxahachie	TX	75165	112	North Texas	Family	No
Martha's Vineyard Place	Dallas	TX	75235	100	North Texas	Family	No
McMullen Square	San Antonio	TX	78228	100	South Texas	Family	Yes
Meadows at Bentley Drive, The	San Antonio	TX	78218	208	South Texas	Family	Yes
Mill Stone Apartments	Fort Worth	TX	76120	144	North Texas	Family	Yes
Mill Town Seniors	Silsbee	TX	77565	80	East Texas	Seniors	Yes
Millennium Apartments, The	McKinney	TX	75070	164	North Texas	Family	Yes
Miramonte (new construction)	Stafford	TX	77471	124	South Texas	Family	Yes
Miramonte Single Living (new construction)	Stafford	TX	77471	68	South Texas	Seniors	Yes
Moore Grocery Lofts	Tyler	TX	75702	88	East Texas	Family	Yes
Museum Reach Lofts (New construction)	San Antonio	TX	78215	94	South Texas	Family	Yes
Navigation Pointe	Corpus Christi	TX	78405	124	South Texas	Family	Yes
North Forest Trails	Houston	TX	77028	168	Upper Gulf Coast	Family	Yes
Oak Meadows Townhomes	Commerce	TX	75428	72	North Texas	Family	Yes
Orchards at Arlington Heights	Arlington	TX	76018	180	North Texas	Seniors	No
Orchards at Market Plaza	Plano	TX	75075	180	North Texas	Seniors	No
Palisades of Inwood	Houston	TX	77088	127	Upper Gulf Coast	Seniors	Yes
Parc East Apartments	Mesquite	TX	75150	209	North Texas	Family	Yes
Park Gardens North	Paris	TX	75462	100	East Texas	Family	No
Park Hill	San Marcos	TX	78666	168	Central Texas	Family	No
Park Village	Big Spring	TX	79720	76	West Texas	Family	Yes
Park, The	Corpus Christi	TX	78413	226	South Texas	Family	No
Parkstone Crossroads	Wichita Falls	TX	76301	112	North Texas	Family	Yes
Parkstone Senior Village I	Wichita Falls	TX	76310	140	North Texas	Seniors	Yes
Parkstone Senior Village II	Wichita Falls	TX	76310	64	North Texas	Seniors	Yes
Parkstone Senior Village III	Wichita Falls	TX	76310	40	North Texas	Seniors	No
Peter's Colony	Carrollton	TX	75007	160	North Texas	Family	No
Pioneer Crossing - Diboll (new construction)	Diboll	TX	75941	80	East Texas	Family	Yes
Pioneer Crossing Burkburnett Seniors	Burkburnett	TX	76354	80	North Texas	Seniors	Yes
Pioneer Crossing Henrietta	Henrietta	TX	76365	49	North Texas	Family	No
Pioneer Crossing Lufkin Family	Lufkin	TX	75904	80	East Texas	Family	Yes
Pioneer Crossing Lufkin Seniors	Lufkin	TX	75904	80	East Texas	Seniors	Yes
Pioneer Crossing Mineral Wells	Mineral Wells	TX	76067	80	North Texas	Family	Yes
Pioneer Crossing Sulphur Springs Seniors	Sulphur Springs	TX	75482	80	East Texas	Seniors	Yes
Pointe Apartments, The	Dallas	TX	75215	10	North Texas	Family	No
Post Oak - Edna, The	Edna	TX	77957	64	South Texas	Family	Yes
Post Oak - McKinney	McKinney	TX	75070	182	North Texas	Family	Yes
Ray Hubbard Ranch I Apartments	Garland	TX	75043	80	North Texas	Family	No
Ray Hubbard Ranch II Apartments	Garland	TX	75043	68	North Texas	Family	No
Red Oaks Townhomes	Waco	TX	76706	80	Central Texas	Family	No
Reserve at Towne Crossing, The	Longview	TX	75605	216	East Texas	Family	No
Residences on Stillhouse Road	Paris	TX	76460	76	East Texas	Family	Yes
River Pointe	San Angelo	TX	76903	204	West Texas	Family	Yes
Riverside Village	Rio Hondo	TX	78583	60	South Texas	Family	Yes
Riversquare	Corpus Christi	TX	78410	204	South Texas	Family	Yes
Riverwalk Townhomes	Stephenville	TX	76401	76	North Texas	Family	Yes
Rockhill (new construction)	McKinney	TX	75070	60	North Texas	Family	No
Rockwell Manor	Brownsville	TX	78521	126	South Texas	Family	Yes
Royal Gardens Mineral Wells	Mineral Wells	TX	76067	75	North Texas	Seniors	Yes
Royal Gardens Wichita Falls	Wichita Falls	TX	76310	49	North Texas	Seniors	Yes
Rush Creek	Arlington	TX	76017	248	North Texas	Family	Yes
Saddle Creek	Kyle	TX	78640	104	Central Texas	Family	Yes
Sage Brush Village	Odessa	TX	79763	112	West Texas	Family	Yes
Santa Rita Senior Village	Midland	TX	79701	136	West Texas	Seniors	Yes
Sedona Springs Villas	Odessa	TX	79764	100	West Texas	Family	Yes
Shadow Brook	Arlington	TX	76013	403	North Texas	Family	Yes
Silver Springs Apartments	Austin	TX	78753	360	Central Texas	Family	Yes
Silver Spur Apartments (New construction opening J	Palmview	TX	78572	120	South Texas	Family	Yes
Sleepy Hollow	Arlington	TX	76013	128	North Texas	Family	Yes
Somerset Lofts (new construction)	Houston	TX	77008	120	Upper Gulf Coast	Family	No
Southwest Pines	Tyler	TX	75701	248	East Texas	Family	Yes

ALPHA BARNES REAL ESTATE SERVICES, LLC  
12720 HILLCREST RD, STE 400  
DALLAS, TX 75230



Property	City	State	Zip	Units	Region	Description	LIHTC
Springfield Manor	Kirby	TX	78219	130	South Texas	Family	Yes
St. George's Court	Austin	TX	78752	60	Central Texas	Seniors	Yes
Stablewood Farms	San Antonio	TX	78227	252	South Texas	Family	Yes
Sterling Springs Villas	Midland	TX	79706	120	West Texas	Family	Yes
Stone Hearst Apts	Beaumont	TX	77703	104	East Texas	Family	Yes
Stone Hearst Seniors	Beaumont	TX	77703	36	East Texas	Seniors	Yes
Stonebridge of Plainview	Plainview	TX	79072	80	West Texas	Family	Yes
Stream at High Pointe (The) (New construction)	Halton City	TX	76137	286	North Texas	Family	No
Sundance Meadows Apartments	Brownsville	TX	78526	132	South Texas	Family	Yes
Sunflower	La Feria	TX	78559	80	South Texas	Family	Yes
Sunquest	Primera	TX	78552	128	South Texas	Family	Yes
Sunray Community	Richardson	TX	75081	50	North Texas	Seniors	Yes
Sunrise Terrace	La Feria	TX	78559	70	South Texas	Family	Yes
Sycamore Pointe Apts.	Fort Worth	TX	76134	168	North Texas	Family	Yes
Taylor's Farm	Dallas	TX	75211	160	North Texas	Family	Yes
Thompson Place	San Antonio	TX	78226	128	South Texas	Family	Yes
Timber Creek at Sienna Trails	Beaumont	TX	77708	36	East Texas	Family	Yes
Treepoint Meadows	Amarillo	TX	79109	432	Panhandle	Family	No
Trinity Loft	Dallas	TX	75207	101	North Texas	Family	No
Tuscany Court Townhomes	Hondo	TX	78861	76	South Texas	Family	Yes
Tuscany Park at Buda	Buda	TX	78610	176	Central Texas	Family	Yes
Twin Oaks	Mission	TX	78572	108	South Texas	Family	Yes
Valley View Apartments	Pharr	TX	78577	128	South Texas	Family	Yes
Villages at Snyder	Snyder	TX	79550	80	West Texas	Family	Yes
Villages of Huntsville	Huntsville	TX	77320	76	Upper Gulf Coast	Family	Yes
Villages of Huntsville Senior	Huntsville	TX	77320	36	Upper Gulf Coast	Seniors	Yes
Villas at Boston Heights	Benbrook	TX	76116	144	North Texas	Family	Yes
Villas of Giddings	Giddings	TX	78942	36	Central Texas	Family	Yes
Villas on Calloway Creek	Hurst	TX	76053	135	North Texas	Seniors	Yes
Villas on Raiford	Carrollton	TX	75007	180	North Texas	Seniors	Yes
Vineyard on Lancaster (new construction)	Ft Worth	TX	76102	104	North Texas	Family	Yes
Walnut Creek Apartments	Austin	TX	78723	98	Central Texas	Family	Yes
West Oaks Village	Houston	TX	77082	232	Upper Gulf Coast	Seniors	Yes
West Ridge Villas	McKinney	TX	75070	132	North Texas	Family	Yes
Western Hills	San Antonio	TX	78227	146	South Texas	Family	Yes
Westmount at Houston Street	San Antonio	TX	78220	200	South Texas	Family	Yes
Windsor Place	Laredo	TX	78045	176	South Texas	Family	No
Wood River	Corpus Christi	TX	78410	200	South Texas	Family	No
Woodland Ridge	San Antonio	TX	78240	152	South Texas	Family	Yes
Works at Pleasant Valley II, The	Austin	TX	78702	29	Central Texas	Family	Yes
Works at Pleasant Valley, The	Austin	TX	78702	45	Central Texas	Family	Yes
Wurzbach Manor	San Antonio	TX	78240	161	South Texas	Family	Yes
Zion Village	Houston	TX	77004	50	Upper Gulf Coast	Family	Yes

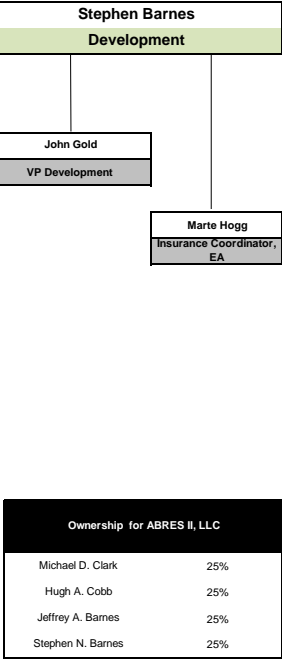
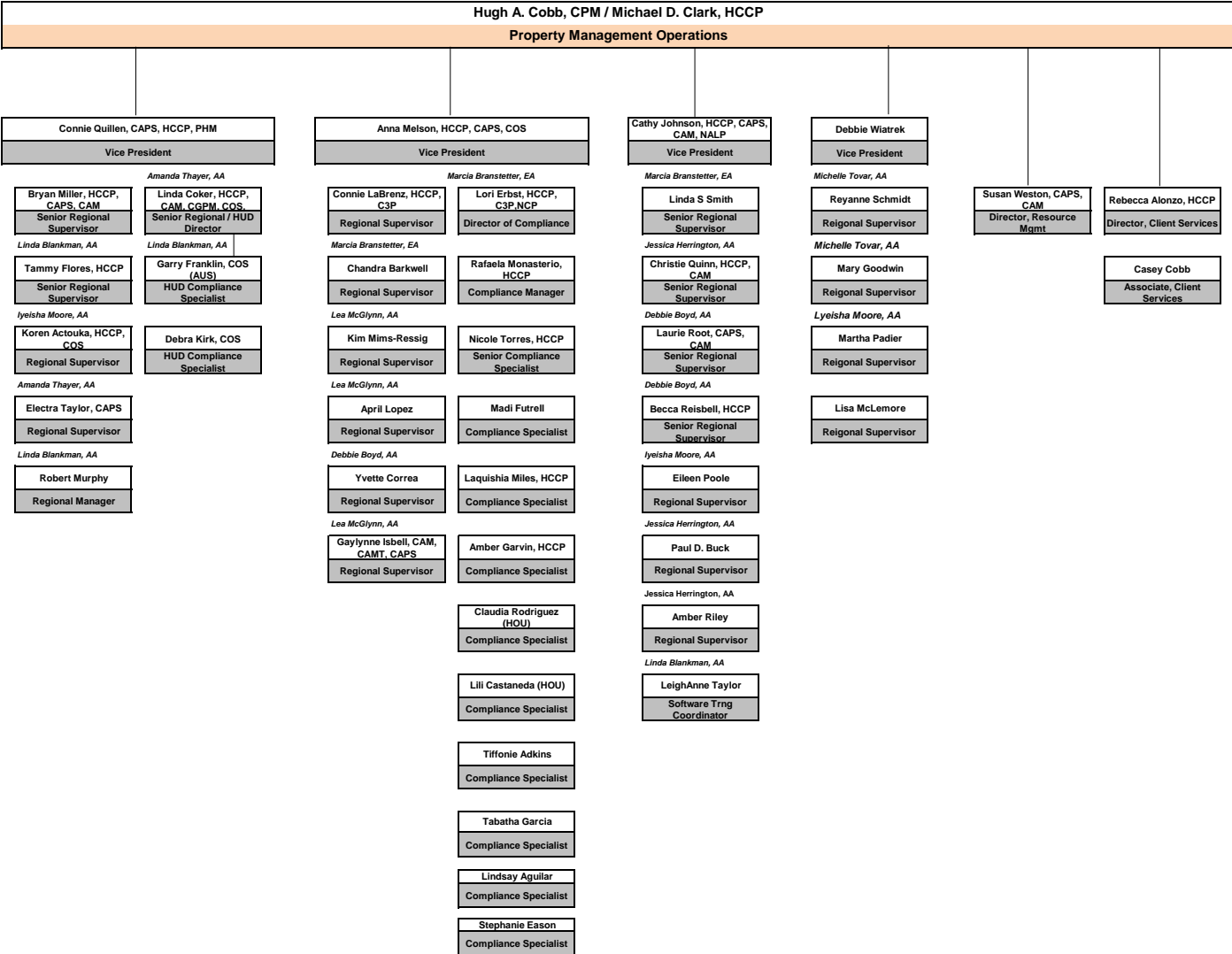
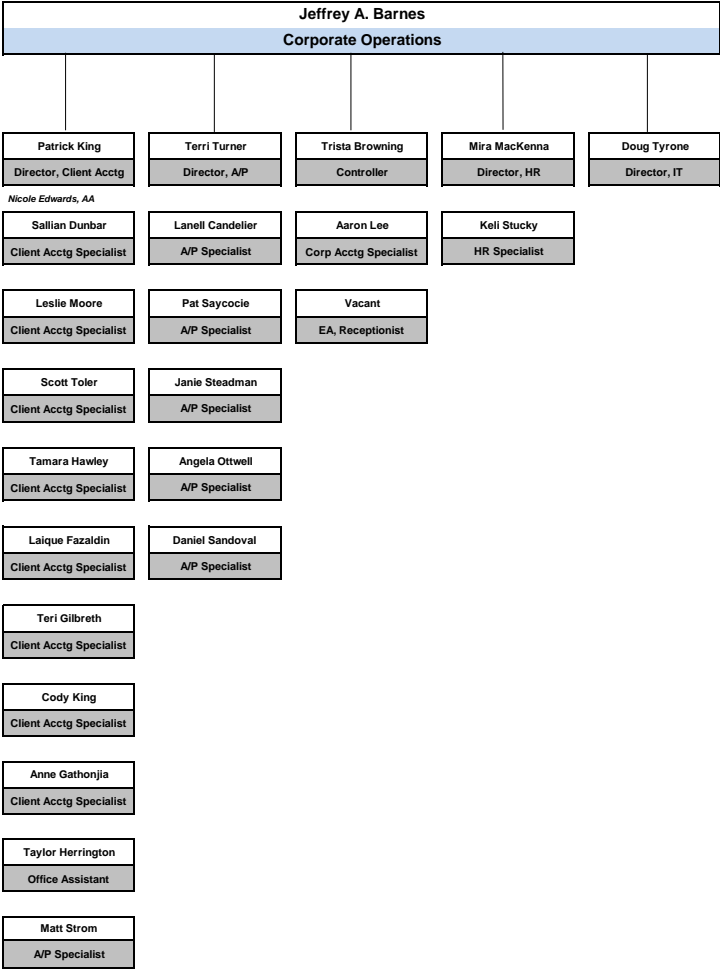
HUD Program/Financing	TOTAL UNITS	30,493
	TOTAL PROPERTIES	241
	LIHTC UNITS	21,068
	LIHTC PROPERTIES	175
	SENIOR UNITS	6,390
	SENIOR PROPERTIES	58

HAP UNITS	1380
HAP PROPERTIES	14
811 UNITS	153
811 PROPERTIES	16
PRAC UNITS	314
PRAC PROPERTY	7





ORGANIZATIONAL CHART





# The Alpha Barnes Benefit

## MISSION STATEMENT

Alpha Barnes provides extraordinary results in our multifamily real estate products and services. We achieve these results by focusing on one single set of core values that guide every aspect of our business: ***Relationships, Integrity, Trust, Commitment to Excellence, Stewardship, and Recognition***. We believe that treating all people with integrity, encouraging and recognizing excellence, and approaching people with servant hearts creates a recurring cycle of positive outcomes for all of our stakeholders.

## THE ALPHA BARNES BENEFIT

We understand the importance of engaging a professional property management company, as well as, **a management company that understands real estate investments**. Our teams know we must all think, act and make decisions like Investors and Owners. Almost all investments are measured by five benefits of ownership:

1. Asset Appreciation;
2. Cash Flow;
3. Principle Reduction;
4. Tax advantage benefits;
5. Equity Discount.

Of course, we will work with you to identify your priorities and establish a strategy to accomplish them. Our process begins prior to engaging us; we will help you to identify ways we can create value, introduce you to our team of professionals and walk you through every step of a management transition. Our team of professionals go to work quickly, act with urgency and move forward in achieving your goals. The following describes the Alpha Barnes advantage:

### Powerful Experience

At Alpha Barnes we understand the real estate investment business, we think, act and make decisions like Investors and Asset Owners vs. fee property management companies. With over 100 years combined experience, the Principals of Alpha Barnes know development, investment, acquisition and the importance of having this experience on your team. Our firm provides management for multi-family residential apartments, commercial property, homeowners associations and more. Our clients include institutional and corporate investors, banks, pension funds, partnerships and individual investors. To effectively manage the many needs of our clients' properties, we train and hire employees with a wide range of skills. This expertise extends to cover typical multi-family housing; mid-rises; high-rises; pre-planning; consulting, leasing and stabilized operations for new construction; rehabilitation of properties with untapped potential; affordable programs such as LIHTC (Section 42), Section 8, Tax Exempt Bond (501 C3), RTC/ADHP Affordable Housing compliance; receiverships; retail, office and industrial buildings; etc. Through close corporate supervision at every level of operations, we are able to bring the advantages of all our experience to benefit each property we manage.

## Corporate History



### History Runs Deep at Alpha Barnes

Since the mid 1970's, the principals of Alpha Barnes have been working in the real estate industry developing and managing multifamily properties. In 2000, The Barnes Companies and Alpha Management merged to form Alpha Barnes as we know it today. With a depth of experience across many markets and asset types, Alpha Barnes has become a leader in the affordable property (LIHTC, Section 8 and other) management. The company is the 14th largest manager of affordable properties in the country. Alpha Barnes is also aggressively pursuing opportunities to develop new multifamily communities. The company has developed 3 communities in the last four years across the DFW metroplex. In addition, due to our depth of experience, the company offers advisory services to clients in the real estate industry consulting on matters from underwriting new opportunities to maximizing the value of existing assets.

We believe that our drive to create 'Home' for each and every resident is what has given us success in the past and what will drive us forward. Our core values include integrity, intentionality, the desire for excellence, and of course, being people-focused. One of the founding Principals of the company, Art Barnes, would always say, "People do business with people, not companies. You must earn their respect and work hard every day to maintain what you have earned." We are proud of the legacy and reputation our company has established, and we hope to continue to build upon its solid foundation every day.



## Management Presence

Alpha Barnes Real Estate Services, LLC is recognized Nationally. Our **Corporate Headquarters** is in Dallas, Texas, maintaining **Regional offices in Austin, Houston, and San Antonio**. We manage approximately **30,000 multi-family units**. The size of our portfolio ranks us as the **10th largest third-party management firms** in the nation. Alpha Barnes was most recently awarded the prestigious Accredited Management Organization (AMO®). This signifies our trust, credibility and performance above all other management companies.

We strongly believe that ABRES' experience, presence and track record in the **Austin** market uniquely positions us to provide the best management services available. While our company was established in 2000, our Principals have spent their careers in the Texas markets, giving us a unique advantage, while enjoying **20 continuous years**.

We presently manage **approximately 30,000 units company-wide**. Subsequently, our size benefits you through our expanded services and personalized attention. Included is highly competitive purchasing power through national accounts, such as our master insurance program. Therefore, the full strength of our firm is devoted to the success of Espero Austin at W. 24<sup>th</sup>.

We believe our strong record of success will contribute favorably toward performance. Our approach is to initiate competitive pricing, aggressive leasing and provide the **BEST RESIDENT SERVICES** available. Residents pay more and stay longer when given professional attention. Our people make the difference. They work toward producing higher income and reducing operating costs through lower turnover and elimination of deferred maintenance. ABRES combines product knowledge, market knowledge, and skilled professionals to produce results for our clients.





## Leadership Matters

The individuals below are the **core team members** to be associated with your Espero Austin at W. 24<sup>th</sup>. All have extensive and successful experience at communities similar to yours.



**Hugh A. Cobb**, is a Partner and one of the Owners of Alpha Barnes Real Estate Services, LLC in Dallas, Texas. He leads property management operations and strategic new business development at the firm.

Hugh earned a Bachelor's of Business Administration (Dean's List) from Texas Wesleyan University in 1983. In 1984, Hugh was appointed by President Reagan, to serve as Congressional Liaison for The White House in Washington D.C. Prior to joining Alpha Barnes in January of 2017, Hugh held executive positions with Capstone Real Estate Services, The Trammell Crow Company and Integrity Properties. Mr. Cobb has over 30 years of real estate experience including management, brokerage, new construction, lending and investment. He has supervised lease-ups for more than 28,000 new and renovated units over 17 years.

Hugh is Past President of the Apartment Association of Greater Dallas (AAGD) and serves on the Executive Committee of the Texas Apartment Association (TAA). On the federal level, Hugh lobbies on behalf of issues important to real estate investment, development and housing affordability. Hugh serves several nonprofit organizations, in Board and Advisory capacities. Mr. Cobb is a Certified Property Manager® (CPM).



**Michael D. Clark**, is a Partner and one of the Owners of Alpha Barnes Real Estate Services, LLC in Dallas, Texas. Together with Hugh Cobb, he leads property management operations and strategic development at the firm.

Mr. Clark graduated from High Point University, in High Point, North Carolina in 1974. He entered the multi-family housing industry a short time later, serving at the Dallas Housing Authority from 1980-1984. Mr. Clark founded and owned M-DC Group and continued to serve as President in privately held management and ownership firms specializing in affordable housing compliance and management, new construction and asset growth.

Mr. Clark has served in volunteer leadership roles throughout his career. He has continued current roles with the Board of Directors of Texas Inter-Faith Housing, Inc., of Houston, Texas. He is also a Past President of the Rural Rental Housing Association of Texas (RRHA), the Texas Affiliation of Affordable Housing Providers (TAAHP), as well as local Apartment Associations and the Texas Apartment Association (TAA). He is currently a Regional Vice President for the National Apartment Association (NAA). Mr. Clark is a Housing Credit Certified Professional (HCCP).



Jeffrey A. Barnes is a Partner and one of the Owners of Alpha Barnes Real Estate Services, LLC in Dallas, Texas. He leads all accounting, administrative, human resource and legal oversight functions at the firm. Alpha Barnes Real Estate Services, LLC manages approximately 30,000 units of affordable and conventional housing and is recognized as an industry leader in property management and tax credit compliance. Alpha Barnes also develops multi-family properties primarily in the Dallas/Fort Worth region.

Jeff earned a Bachelor of Science Degree in Business Administration in 1982 from Trinity University in San Antonio. That same year he joined a commercial brokerage firm in Dallas, where he was directly involved in the sale of over \$50 million of raw land and income producing properties throughout Texas. In 1985 he joined Barnes Development, as Vice President, and assumed responsibility for development, acquisitions, management and sales. In 1989, he assisted in the formation of Dal Mac Barnes Co. and served as President for three years prior to forming the Barnes Company, forming Alpha Barnes Real Estate Services in 2000.

He has been a member of the Greater Dallas Association of Realtors, The North Texas Commercial Association of Realtors and the Home and Apartment Builders Association of Metropolitan Dallas. Within the community, Jeff serves actively with the Park Cities YMCA, the American Heart Association, Salesmanship Club of Dallas, and is past President of the Highland Park ISD Board of Trustees. He also serves as a Deacon of Park Cities Baptist Church and has taught Sunday School for over 35 years.

Mr. Barnes is a licensed real estate broker in the State of Texas.



**Connie Quillen is Vice President** in Austin, Texas. Connie oversees the operations and activities of six regional supervisors and managers, a total of 6,000 apartment units. The portfolio contains affordable housing, conventional and senior housing assets. As Vice President, Ms. Quillen is responsible for the operational, contractual and regulatory performance of the assets. In her role as investment manager, she maintains regular and informative contact with asset investors and clients.

Ms. Quillen holds a degree in Business Administration from Central Texas College. Connie began her career in property management in 1991 as a property manager. She worked for the Travis County Housing Authority with responsibility for Public Housing and then as its Director of Assisted Housing. Connie joined Alpha Barnes in 2001 and was promoted to Regional Supervisor in 2003. After rising to the role of Senior Regional Supervisor, Connie was promoted to Vice President in December 2018. Connie's experience with Public Housing and Section 8 makes her invaluable to clients with difficult to manage properties with high levels of rental assistance. She has been responsible for the operations of literally dozens of Low-Income Housing Tax Credit (LIHTC) and Project Based Section 8 properties across Texas over the past 15 years.

Ms. Quillen is a licensed Texas real estate broker. She is a Housing Credit Certified Professional (HCCP), a Certified Apartment Portfolio Supervisor (CAPS), a Public Housing Manager (PHM) and a Section 8 Housing Manager (SHM).



**Patrick King** is the Director of Client Accounting. As a Corporate Department Head, Patrick provides critical support to the daily site and regional property operation. At Alpha Barnes, our clients meet their financial goals when we support the needs of our customers at the point of service. Administrative productivity and efficiency are essential. Patrick maximizes accounting technology to reduce costs and create greater efficiencies for the company and its managed assets. Patrick's team of five Client Accounting Specialists ensures that financial reporting is accurate, timely and meets the unique needs of clients and their accountants, including property cash management and partnership distributions.

Patrick earned a Bachelor's degree from Southern Methodist University after starting his education at the University of North Texas. Beginning in 1982, Mr. King worked in financial management capacities for several firms, including environmental, import/export and retail companies. At those firms, Patrick honed his unique ability to support financial acumen with research and operational impacts. He joined Alpha Barnes in 2007. By 2009, Patrick had assumed the role of Director of Client Accounting, where he continues to ensure strong client relationship, negotiate owner funding protocols and provide leadership in deploying new efficiencies in processing and reporting.

Mr. King regularly consults with top audit firms to ensure legal and regulatory compliance needs are met.



**Lori Erbst** is Director of Compliance. As a Corporate Department Head, Ms. Erbst provides critical support to the daily site and regional property operation. At Alpha Barnes, our clients meet their financial goals when we support the needs of our customers at the point of service. Administrative productivity and efficiency are essential. Lori specifically directs the administration of the Alpha Barnes compliance department, overseeing 7 specialists who ensure the regulatory and contractual obligations are met at all levels with local and state housing and support agencies. Ongoing training and support of site personnel is a key performance indicator. First year files, tenant income certifications and renewals and audit preparation and findings corrections are managed by

Ms. Erbst.

Lori attended Dallas County Community College and began her career in property management in Dallas in 1996 with an owner/developer of Low-Income Housing Tax Credit (LIHTC) properties. In 2001, she joined Alpha Barnes as a compliance specialist and was promoted to Director of Compliance in 2007. Over time, the department grew to a manager and six specialists. Lori's extensive knowledge and experience with Housing Tax Credit, HOME, BOND, Housing Trust Fund and the Affordable Housing Disposition program make her invaluable to our clients and staff members. Additionally, through strong business relationships, Lori is able to work closely with all state agencies and maintain a respected partnership. Lori participates regularly in training offered by the Texas Department of Housing and Community Affairs. Ms. Erbst is a Certified Credit Compliance Professional (C3P), a Housing Credit Certified Professional (HCCP) and a National Compliance Professional (NCP).

## Non-Competition

ABRES does not compete with its clients, therefore we have no conflict of interest. Unlike “fee only” third party management companies, our teams think like investors. As such you will find our teams act and make decisions like investors vs. “hired hand fee only” property management only companies. This distinguishes us from many competing firms and enables us to provide the investment mindset each property deserves, without the distraction just being a “hired hand fee only”, which are known to focus only on management company revenues.

Subsequently, **we focus on your goals** from the beginning. Third-party real estate management is the business on which we have built our reputation, and we are committed to providing the highest possible standards of service and integrity to our clients.

## Acquisitions

Since we understand investment dynamics, we are able to assist with due diligence and new property acquisitions. This also enables us to inform you of properties that are for sale, whether managed by ABRES or not. We are interested in **your** success.

## Expansion/Pre-Acquisition Due Diligence

We are prepared to grow with you when or if new purchases are consummated. As you know, we manage in over 85 different cities and can assimilate your acquisitions as they occur. In addition, we are available to assist with your **pre-acquisition due diligence** needs as well.

## Bench Strength

We strengthen our bench by recruiting the best and brightest property management professionals. Second, we challenge our teams to be even better, by providing them an excellent training and education program. Combine this with support and encouragement and you have what we call the “ABRES WINNING COMBINATION”. We attribute our growth and continued success to “bench strength”. We think, act and make decisions like investors you desire as your partner. Our team members are all highly skilled and dedicated to the overall success of our clients’ investments. Alpha Barnes employs approximately 850 professional and support personnel, with a single goal of achieving your objectives.

**Corporate Forte:** Our Corporate Office Team’s exist to support our site teams. Regional Supervisors have authority to direct corporate department resources to the needs that Clients, Site Teams and Residents need. We experience extremely low turnover at our corporate office, so we are able to achieve consistent quality and efficient support.

**Industry Achievement:** We believe the key to quality client service is based upon well-trained and motivated personnel. We encourage all of our employees to strengthen their professional skills through the achievement of appropriate designations such as Certified Property Manager®.

## Low Income Housing Tax Credit (LIHTC)

**Alpha Barnes Real Estate Services** presently manages over 170 properties which utilize the LIHTC. Compliance with LIHTC program requirements are controlled by direct supervisory and compliance staff review of all work and extensive training of all personnel. **Alpha Barnes Real Estate Services** takes special pride in its reputation as an expert in this program and works hard to maintain that reputation.

## HUD Financed Properties

**Alpha Barnes Real Estate Services** operates projects financed by the U.S. Department of Housing and Urban Development (HUD) under the Section 221 (d)(3) BMIR and 221 (d)(4) program, the Section 202 program, and the Section 236 program. **Alpha Barnes Real Estate Services** is familiar with the reporting requirements of all housing related HUD programs as well as the management intricacies.

## Properties with 811 Program

**Alpha Barnes Real Estate Services** is currently managing 14 assets under the Section 811 Program, including PRAC and PRA programs. Our Compliance team has an excellent rapport with HUD & TDHCA and is familiar with all the regulations and requirements of the program. Furthermore, ABRES' accounting team is prepared to set up the onsite property software for new construction or newly acquired assets with confidence.

## Properties with HUD Section 8

**Alpha Barnes Real Estate Services** is under contract to operate 16 entities that have projected-based Section 8 rent subsidies. In addition, **Alpha Barnes Real Estate Services** completes the paperwork for Section 8 projects for several other management companies on a contract basis. **Alpha Barnes Real Estate Services** has five Certified Occupancy Specialists' (COS) on staff.

## Professional Certifications of Team Members

Institute of Real Estate Management (IREM®)

Certified Public Accountant (CPA®)

Accredited Resident Manager (ARM®)

Certified Occupancy Specialist (COS®)

Tax Credit Specialist (TCS)

National Compliance Professional (NCP)

Continuing Certified Credit Compliance Professional (C4P)

Certified Property Manager (CPM®)

Certified Apartment Portfolio Supervisor (CAPS®)

Certified Apartment Manager (CAM®)

Assisted Housing Professional (AHP)

Housing Credit Certified Professional (HCCP®)

Certified Professional of Occupancy (CPO)



## Financial Reporting and Controls

Alpha Barnes Accounting Department is focused on delivering 1) Accurate Reporting, 2) Timely Delivery and 3) Knowledgeable Teams. Our accounting systems can be customized to meet specific client needs. Through our centralized system we can create specialized financial statement formats and charts of accounts. Our systems are designed to maximize control of cash and disbursements while utilizing state of the art technology to maximize efficient use by on-site personnel.

The property budget forms the basis for the overall **expense control** process. Qualifying purchases must be approved by the Regional Supervisor who must seek approval for all non-budgeted or over budget items. Per the management agreement, all expenditures over a set amount require the owner's approval. The Budget Control Ledger serves as further control for the Property Manager and Regional Supervisor.

Vendors are selected based on service, reliability and price. Each vendor must submit an application and is required to provide proof of insurance coverage. Payments are scheduled to be made thirty days after invoicing and are coded according to a five-level priority payment system. A complete audit trail is maintained throughout the payable processing system.

## Property Leasing

On-site managers and staff are provided detailed instruction pertaining to all aspects of leasing on the property. From marketing the property, qualifying prospective tenants and closing the sale, to maintaining positive relations. Property staff is instructed with guidelines and methods of how to best manage any leasing situation. Again, these policies are documented in the Residential Standard Operating Procedures Manual and reinforced through training courses.

ABRES also instructs on-site management staff with ABRES' Vision, Mission and Value Statements. To be outstanding, it is not enough to simply instruct and supervise managers and staff with operating standards, each individual must also be motivated to always act with the utmost integrity, respect and teamwork. We are committed to achieving and recognizing individual achievement in attaining excellence in all aspects of property operation.

## Bid Control/Subcontractor

Alpha Barnes has designed and successfully implemented a concise program for bid control and contractor supervision. In accordance with the management plan, operating budget and owner objectives, capital improvements/enhancements are identified. Our full-time Training Department trains staff and remains available as support during the process.

At takeover and on an on-going basis, all services to the property are subject to the bid control process. Bids for trash removal, answering service, landscaping, etc. are received and approved in the same manner as construction bids. This assures the best service at the lowest cost without compromising quality. Alpha Barnes' personnel understand the bid-control process including coordination with the owner. The process is very controlled, defined and effective.

## Construction/Subcontracting Program

Alpha Barnes utilizes services from many different contractors and service organizations. When a specific job is identified, exact specifications for that job are derived. Bids are received from qualified contractors and/or service organizations and reviewed. Bids are evaluated to determine if they meet the exact specification required. After careful review, a contractor is selected based on experience history, understanding of the job and cost. We seek the lowest cost without compromising the integrity of the work.

## Vendor Qualification

Alpha Barnes policy requires that all on-site vendors provide proof of minimum insurance coverage. This assists in reducing exposure to liability claims resulting from personal injury and property damage by vendors.

On-site vendors are required to provide proof of the following insurance coverage:

- Comprehensive General Liability or Commercial General Liability Insurance.
- Worker's Compensation Insurance with statutory limits, as required by the state or when stipulated by owner; with Employer Liability Insurance.
- Comprehensive Automotive Liability insurance for all owned, hired and non-owned vehicles.

Delivery Only vendors are required to provide proof of Comprehensive Automobile Liability Insurance for all owned, hired and non-owned vehicles.





# ABRES Affordable Housing Compliance Program

## Overview

Delivering comprehensive affordable Housing Compliance services is essential to the operations of affordable housing. This includes day to day operational support, with a focus on eligibility requirements in accordance with Federal, State and Local housing requirements. To complement our efforts, Alpha Barnes (ABRES) has developed numerous propriety initiatives, including those outlined below, designed to accomplish this.

## ABRES' Approach to Compliance Services

1. Personalized expertise and advanced technologies are the backbone of our proven compliance systems. Each property is assigned to an affordable housing specialist who is personally responsible for each file.
2. 24-hour turnaround for File Review which improves leasing velocity and revenue.
3. Income and Asset Calculations are verified centrally by a corporate compliance specialist. Additionally, staff spends time on-site with staff to ensure files are completed thoroughly prior to submitting for approval.
4. All files must be approved by a Compliance Specialist or the Regional Supervisor before move-in to ensure all files remain in compliance.
5. Specialist conduct on-site visits in preparation of upcoming audits and inspections.

## New Move-In File – Eligibility Review

1. Using the OneSite software systems, ABRES will review files for eligibility. All reviews are completed at the corporate level.
2. Files are reviewed Monday through Friday, except for holidays.
3. Compliance Specialist send corrections and then approve with Managers Cert.
4. Once approved, it is returned to site so applicant can be notified.
5. No move in will be permitted into the system before the file is approved by the specialist or RS.

## Recertification File Review

1. ABRES will review files for continued eligibility.
2. ABRES will not review the initial move in file eligibility. The file at the time of recertification will assume the initial file review and any prior recertification file reviews were done correctly.
3. Pending sheets will be issued for any required clarifications, corrections or mistakes requiring attention.
4. Recerts are reviewed onsite.
5. Any past due recertification files will be reviewed as they are submitted in the same manner as current files.

## Initial Training and Setup

1. Initial staff training and system setup will be included.
2. The respective assigned Compliance Specialist is the training resource for our on-site teams to obtain general tax credit program knowledge.
3. Ongoing quarterly training from our corporate office and locations throughout Texas.

## **Quarterly Reporting to State Agency**

1. The respective assigned Compliance Specialist will review the information in CMTS with representatives from the property prior to final submission to TDHCA, each quarter.

## **Agency Audit Services**

1. Compliance Specialist will manage any required pre-audit submissions to requiring agencies.
2. Compliance Specialist will review audit results with on-site team, prepare responses and submit to agency.
3. Where eligibility findings occur, the Compliance Specialist will support your company in answering related audit findings.

## **Services Included in Compliance Monitoring:**

1. Regulatory Document Review and Rental Information Sheet creation
2. Utility Allowance Management, including HUD Utility Model
3. Income Limit Management
4. Applicable Fraction Management
5. Set Aside Management
6. Special Needs Requirements
7. Backup of TIC for Each Resident (if requested)
8. USR's
9. Certification and other Compliance Reporting
10. Upcoming and Past Due TIC Recertification Management
11. Rental Rates are computed accurately using the HUD formulas

## **Cost of Services:**

There is no additional cost for these services.







# ABRES Master Insurance Program

## Alpha Barnes Real Estate Services

### MASTER INSURANCE PROGRAM BENEFITS CLIENTS

ABRES offers its clients exceptional insurance coverage at even better rates through the ABRES Master Insurance Program. Recognizing that the purchasing power of ABRES' portfolio could add one more value-added service for our clients, ABRES partnered with Lockton to provide a comprehensive insurance program with rates currently well below market.

The program, specifically designed for multi-family properties, allows our clients ease of mind knowing that better rates or coverage could not be found in the open market. In fact, in most cases the savings in insurance premiums is so significant that we find our clients switching into our program midterm to immediately improve their bottom line.

- 20% to 50% premium savings on average
- Program is specialized for multifamily investments; coverage is specifically structured to meet lender requirements
- Property coverage includes flood (in non-100-year flood plain zones), and replacement cost value with no coinsurance
- Program includes a Loss Control division that works to identify liability exposures on each property
- Liability coverage has no exclusion of assault and battery
- Liability program has no deductible
- All liability is written with a per location aggregate, no shared limits
- ABRES has a \$15.00 per annual per unit administration fee, should you participate in the program

**\*If interested in obtaining a quote for your property(ies), please request to complete and submit a Questionnaire.**



In addition to providing property and liability insurance option to its clients, ABRES carries comprehensive insurance coverages on the company itself that meet or exceed the requirements of all major lenders and investors.



# ABRES National Accounts Program

## ABRES' Value Add Programs

As one of the largest fee management companies in the nation, ABRES is continuously challenged to find new and creative ways to benefit our clients. Through our National Accounts Department, ABRES has been able to negotiate very attractive agreements with a special class of vendor that we refer to as a *National Account Preferred* Vendor. By leveraging the size of our portfolio, we have been able to negotiate volume discounts with our *Preferred* Vendors that are superior to what our properties and clients could negotiate on their own. Currently, ABRES has multiple *National Account Preferred* Vendor agreements in place and more agreements are being added every quarter.

It is a ABRES policy that all goods and services be purchased through a *Preferred* National Account Vendor unless authorized otherwise by the owner. We are so committed to the excellent pricing we have achieved that we are confident your property will see a decrease in expenses by exclusively using the Preferred Vendors.

In summary, National Accounts will achieve the following:

- **Cost Savings** – achieving the highest discounts on products and services;
- **Efficiency** – our National Accounts department is negotiating, so sites are focused on property operations;
- **Buying Power** – with approximately 30,000 units under management, we achieve the best terms.

## Overview

Delivering superior property management is essential to our clients' bottom line and we are continuously challenged to find new and creative ways to benefit our clients. With a focus on maximizing income and controlling expenses, our National Accounts Department, has negotiated very attractive agreements with a special class of vendor that we refer to as a National Account Preferred Vendor. Currently, ABRES has over thirty Preferred Vendor agreements in place and more agreements are being added every quarter. **Participation in all of our National Account Programs can result in annual savings well in excess of \$125 per door per year.**





## Career Development and Training



## PERSONNEL/STAFFING SUMMARY

Consistent success and growth belong to teams and not players. Everyone at ABRES is your partner. Led by a pro-active Regional Supervisor, the personnel to be associated with your asset will be highly skilled and dedicated to the overall success of the property. ABRES employs approximately 850 professional and support personnel in the field of property management.

**Corporate Personnel:** Our program centers on an aggressive on-site manager and staff. It is implemented with the direction and supervision of the Regional Supervisor. They are highly qualified and have levels of experience ranging from 8 years to over 25 years in the industry. There will be no charge for their services.



**Personalized Service:** ABRES has the personnel, experience and resources to provide the personalized service that your property deserves. Your asset is very important to us and we commit to focus all our energies toward its success. These efforts are backed by the extensive resources of ABRES.

**Incentive Program:** ABRES believes that outstanding performance should be rewarded with incentives that are tied directly to the property's success. The site incentive program, "Accelerating Income Monthly" (AIM), rewards on-site staff for increasing the property's economic occupancy each month. It is performance based and employees are only paid to the extent income improves.

**Employee Benefits:** Along with our broad health care coverage, ABRES offers an attractive benefits package to eligible employees as a way of sharing ABRES' continued success. Through these benefits, we are able to attract and retain a higher caliber of employee. At ABRES, our people produce the results. Our Human Resource Management programs attract superior personnel who maximize their potential and your results.

**Training:** A professionally trained and courteous staff is essential. ABRES University is the education and professional development arm of our firm. Through the activities of its Training Department, we have assembled an array of diverse and comprehensive training tools and delivery methodologies to ensure that employees are provided with the knowledge, skills and best practices necessary to make our firm the very best in the business.

## Training

Hire the best and brightest and challenge them to be better! We support our teams through professional in-house training vs. “canned” on-line training. The result is higher performing staff that excels. Through the activities of our Training and Development Department, we have assembled an array of diverse and comprehensive training tools and delivery methodologies to ensure that employees are provided with the knowledge, skills and best practices necessary to make our firm the very best in the business. This full-time department is essential toward contributing to the level of professionalism and success we enjoy as one of the **largest third-party** management companies in the nation.



**Susan Weston** is the Director of Management Resources for Alpha Barnes. In this role, Ms. Weston is responsible for the development and deployment of strategic and tactical initiatives that enhance and grow the company’s business lines. Specially, these programs and protocols enhance talent experience, elevate owner relationships standardize daily operations and fosters positive brand recognition.

Susan holds a Bachelor of Arts from Valparaiso University and currently holds a position on its National Council for the School of Business. Ms. Weston began her career in the industry as a receptionist in a property management office. She has served in executive roles as Vice President of Operations, Director of Human Resources and Vice President of Learning and Development at both publicly traded and private companies. Susan also served as Director of Education for the National Apartment Association. She is a Subject Matter Expert for the National Apartment Association Education Institute credential programs and a member of their Senior Faculty. Since 2012, Susan has taught residential property management programs in the School of Business at the University of North Texas. She joined Alpha Barnes in 2012 as Director of Management Resources.

Susan serves in volunteer leadership roles for local apartment associations, the Texas Apartment Association and is a member of the NAAEI Board of Directors and a Region 6 representative to the NAA Curriculum Development Committee.

She is a Certified Apartment Manager (CAM), a Certified Apartment Portfolio Supervisor (CAPS) and a licensed real estate broker in the state of Texas.

**ABRES University** combines effective and cost-effective methods of on-line training, live classes taught by seasoned instructors, and coursework offered by industry accreditation programs to encourage each employee to strive for higher performance. **These programs incorporate the Grace Hill Training Program for foundation classes such as:**

- Fair Housing (plus Spanish course)
- Fair Housing II
- Leasing for a Living
- Advanced Leasing
- Help Wanted!
- Internet Leasing
- Internet Leasing 2.0
- Resident Retention
- Conflict Resolution (plus supervisor's course)
- Customer Service (plus Spanish course)
- Curb Appeal
- Traffic Generation

**In addition, the following courses are offered within the various regions to meet the needs of current and new employees:**

- Marketing and Leasing
- Office Procedures
- Property Operations
- Financial Statements of Operation
- Shopping Class
- OneSite Management Software
- Closing Techniques
- Redbook Changes (Texas)
- Telephone Techniques
- Internet Marketing
- Resident Retention
- Middle and Upper Management:
  - Leader Leverage™
  - Power Bases and How to Use Them Effectively
  - Strategic Planning and Implementation – Theory and Practical Application

We believe our program has few equals, if any, and consider it among the most superior professional training programs in the industry. It is current, thorough and provides our people with skills and enthusiasm that have a very positive influence at the properties we manage.





## Proposed Fee Summary

## PROPOSED MANAGEMENT FEE SUMMARY

In our review of the market, we found several management companies who charge extra for services we at ABRES include in our standard fee. While other management companies' fee percentages seem competitive, their surcharges may inflate their actual costs resulting in more out-of-pocket dollars for you.

A few factors we consider when determining our fee includes ease of access to a location, property condition, actual monthly revenue, occupancy level as well as what services have to be delivered such as training, accounting, human resources, compliance, etc. and the cost of delivering it. We want to work with you and are confident we will make a difference in the performance of your property. We intend to earn our fees to the benefit of the property.

PROFESSIONAL FEE			
PROPERTY	MANAGEMENT FEE	MINIMUM MGMT. FEE	CORPORATE SALARY ALLOCATIONS
Espero Austin at W. 24 <sup>th</sup> Austin, TX	\$50.00/unit	\$50.00/unit	NONE

\*Manager's compensation shall be a fee of \$50.00 of the gross monthly income or \$50.00 per property, month, whichever is greater. The fee will be calculated at the end of each accounting period and will be considered an expense attributable to that period.

One-Site/Real Page Set-Up Fee	TBD
Supervision of Subcontractor Performing Major Restoration/Capital Improvements	10% of restoration / improvements if ABRES supervises.
Payroll Processing .....	\$75.00/payroll period
Software Support Per Property .....	\$60.00/month
Computer IT Per Property .....	\$30.00/computer/month
Annual Audit Admin.....	\$1,000.00/year

**Inspection Fee, Monthly Financial Reporting and Management Training are included in the Management Fee.**





**ESPERO AUSTIN AT RUTLAND  
AUSTIN, TEXAS**

**PAB APPLICATION  
AUSTIN HOUSING FINANCE CORPORATION**

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**APPENDIX A**

## APPENDIX A

### **AUSTIN HOUSING FINANCE CORPORATION APPLICATION FOR BOND FINANCING OR TRANSFER**

I, the undersigned duly authorized representative of Espero Austin at Rutland, LP (the "Applicant") of the proposed residential development described in the attached Application for Financing Qualified Multifamily Residential Rental Project, do hereby make application to Austin Housing Finance Corporation (the "Austin HFC") in accordance with the Austin HFC's Rules and Regulations regarding the Financing of Multifamily Rental Residential Developments, dated July 31, 2001 (the "Rules"). In connection therewith, I do hereby declare and represent as follows:

1. The applicant intends to own, construct or rehabilitate and operate a multifamily rental residential development (the "Development") to be located within the City of Austin, Texas, and desires that the Issuer issue obligations to provide financing for such residential developments in accordance with the Rules.
2. The Applicant has received a copy of the Rules, has reviewed the Rules and hereby agrees to comply with all terms and provisions of the Rules, except such provisions as may be expressly waived by the Board of Directors of the Austin HFC. Further Applicant agrees to comply with all terms and provisions of any rules finally approved by the Board prior to approval of an inducement resolution.
3. The Applicant has submitted herewith two completed copies of the Application. To the best of the Applicant's knowledge, the information contained therein is true and correct. Additionally, the Applicant has submitted herewith:
  - o If applying for a portion of the State Bond Cap, a \$5,000 check payable to the Texas Bond Review Board.
  - o A \$5,000 check payable to the Austin HFC to cover staff time for reviewing the application and to compensate Bond Counsel for preparing and filing the Texas Bond Review Board application.

If bonds are not issued, this application fee is non-refundable.

If bonds are issued, the applicant will be required to pay an advance against the Issuance Fee of 10% of the estimated Issuance Fee. This advance will be used to pay for any Third-Party Reports, staff time and other expenses incurred by the Corporation. The advance is payable by the Applicant to the Austin HFC before the public (TEFRA) hearing is scheduled. If bonds are not issued and the total cost of the Third-Party Reports, staff time and expenses is less than the advance, the Austin HFC will refund the difference to the Applicant.

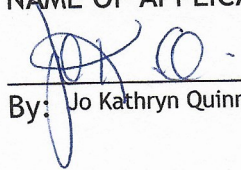
4. the Applicant will (a) pay all Development costs which are not or cannot be paid or reimbursed from the proceeds of the bonds issued to provide funds to finance the Development and (b) at all times, indemnify and hold harmless the Austin HFC against all losses, costs, damages, expenses, and liabilities of whatever nature (including, but not limited to, attorney's fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, arising out of or related to this Application, the Development, or the issuance, offering, sale, or delivery of the bonds or other evidences of indebtedness issued to provide funds to finance the Development, or the design, construction, rehabilitation, installation, operation, use, occupancy, maintenance, or ownership of the Development.

Based on the foregoing, the Applicant requests that the Board of Directors of the Austin Housing Finance Corporation grant preliminary approval of this Application for financing in accordance with the Rules.

WITNESS MY HAND ON June 10, 2020

Espero Austin at Rutland, LP

NAME OF APPLICANT

By:  Jo Kathryn Quinn

President and CEO of Caritas of Austin

Title: